PROSPECTUS

BORR DRILLING LIMITED

(A company incorporated under the laws of Bermuda)

Listing of 162,500,000 New Shares issued on 10 October 2017

The information in this prospectus (the **"Prospectus"**) is provided as a basis for the listing of 162,500,000 new shares in Borr Drilling Limited (**"Borr Drilling"**), issued on 10 October 2017 (the "**New Shares**"). Borr Drilling is a public limited company incorporated under the laws of Bermuda (the "**Company**" and, together with the Company's consolidated subsidiaries, the **"Group"**), and is listed on the Oslo Stock Exchange ("**Oslo Børs**").

The 315,792,500 ordinary shares issued by the Company prior to 10 October 2017 (the "**Existing Shares**") are listed on Oslo Børs under the ticker code "**BDRILL**". The New Shares have, since 11 October 2017, been listed on Merkur Markets under the ticker code "**BDRILL ME**" pending admittance for trading on Oslo Børs.

Both the Existing Shares and the New Shares (together, the "**Shares**") are registered in the Norwegian Central Securities Depository (the **"VPS"**) in book-entry form. All Shares rank in parity with one another and carry one vote.

THIS PROSPECTUS SERVES AS A LISTING PROSPECTUS FOR THE NEW SHARES ONLY. THE PROSPECTUS DOES NOT CONSTITUTE AN OFFER OR INVITATION TO PURCHASE, SUBSCRIBE FOR OR SELL THE NEW SHARES. NO SHARES OR OTHER SECURITIES ARE BEING OFFERED OR SOLD IN ANY JURISDICTION PURSUANT TO THIS PROSPECTUS.

Investing in the Shares involves a high degree of risk; see section 2 "Risk Factors" beginning on page 21.

Managers:

DNB Markets,
a part of DNB Bank ASA

ABG Sundal Collier ASA	**Clarksons Platou Securities AS**	**Fearnley Securities AS**
Pareto Securities AS	**Skandinaviska Enskilda Banken AB (publ.), Oslo branch**	**Sparebank 1 Markets AS**

The date of this Prospectus is 19 October 2017

IMPORTANT INFORMATION

This Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (the "**Norwegian Securities Trading Act**") and related secondary legislation, including the Commission Regulation (EC) no. 809/2004 implementing Directive 2003/71/EC of the European Parliament and the EU Council of 4 November 2003 regarding information contained in prospectuses, as amended, and as implemented in Norway (the "**Prospectus Directive**"). This Prospectus has been prepared solely in the English language.

The Financial Supervisory Authority of Norway (the "**Norwegian FSA**") has reviewed and, on 19 October 2017, approved this Prospectus in accordance with sections 7-7 and 7-8 of the Norwegian Securities Trading Act. This Prospectus is valid for a period of twelve months following the date of such approval.

The Norwegian FSA has not controlled or approved the accuracy or completeness of the information included herein. The approval by the Norwegian FSA only relates to the information included in accordance with predefined disclosure requirements. The Norwegian FSA has not made any form of control or approval relating to the corporate matters described in or referred to in this Prospectus.

The information contained herein is current as at the date hereof but is subject to change, completion and amendment without notice. Significant new factors, material mistakes or inaccuracies relating to the information herein that are capable of affecting the assessment of the value of the New Shares between the date this Prospectus was approved and the first day of trading of the New Shares on the Oslo Børs will, in accordance with section 7-15 of the Norwegian Securities Trading Act, be disclosed in a supplement hereto. The publication and distribution of this Prospectus shall not, under any circumstances, imply that there will be no change in the Group's affairs or that the information herein is correct at any date subsequent to the date of this Prospectus.

No person is authorised to give information or to make representations concerning the Group other than as set forth herein. If any such information is given or made, it should not be relied upon as having been authorised by the Company or the Managers or by any of their affiliates or advisors.

The distribution of this Prospectus may be restricted by law. This Prospectus does not constitute an offer or an invitation to purchase any of the New Shares and no one has taken any action that would permit a public offering of any of the New Shares on a secondary sale basis or the issue of any further shares in the Company to occur. This Prospectus shall not be distributed or published except in compliance with applicable laws and regulations. The Company and the Managers require persons in possession of this Prospectus to inform themselves about and to observe any such restrictions.

The Shares may only be traded in Bermuda in compliance with the provisions of the Investment Business Act of 2003, the Exchange Control Act 1972 and related regulations of Bermuda which regulate the sale of securities in Bermuda. Specific permission is required from the Bermuda Monetary Authority (the "**BMA**") for the issue by a Bermuda company of securities and the subsequent transfer thereof except in cases where the BMA has granted a general permission. The BMA has, in its policy dated 1 June 2005, stated that, where any securities (including shares) of a Bermuda company are listed on an appointed stock exchange, general permission is given for the issue and subsequent transfer of any securities of such company from and/or to a non-resident of Bermuda for as long as the securities of such company remain so listed.

Oslo Børs is deemed to be an appointed stock exchange under Bermuda law. In granting such permission, the BMA accepts no responsibility for the Group's financial soundness or the correctness of any of the statements made or expressed in this Prospectus. This Prospectus does not need to be filed with the Registrar of Companies in Bermuda in accordance with Part III of the Bermuda Companies Act 1981 as amended (the "**Bermuda Companies Act**") and the provisions incorporated therein following the enactment of the Companies Amendment Act 2013. Such provisions state that a prospectus in respect of securities issued by a Bermuda company which are listed on a stock exchange approved by the BMA does not need to be filed in Bermuda as long as the company in question complies with the requirements of such stock exchange in relation thereto.

The Shares may, in certain jurisdictions, be subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under such securities laws and regulations. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdiction. See section 13 "Selling and transfer restrictions" for further information about such restrictions.

Any reproduction or distribution of this Prospectus, in whole or in part and any disclosure of its contents to the public in general, is prohibited.

This Prospectus shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with the Oslo City Court as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Prospectus.

The Company falls under the definition of a small and medium-sized enterprise under the Prospectus Directive as the Company, according to its latest consolidated accounts, had an average number of employees of less than 250 and an annual net turnover not exceeding EUR 50,000,000. Thus, the Prospectus has been prepared in accordance with the proportionate schedules for small and medium-sized enterprises pursuant to EC Commission Regulation 486/2012 regarding the format and content of the prospectus, the base prospectus, the summary and the final terms and in regards to the disclosure requirements. Consequently, the Company has applied checklist annex XXVI and annex III for this Prospectus.

TABLE OF CONTENTS

Appendices:

1. SUMMARY

*This summary (the "**Summary**") relates to the disclosure requirements known as the "Elements". These are numbered in sections A – E (A.1 – E.7) below.*

This Summary covers all the Elements required to be included in a summary for the category of securities which the Shares represents and an issuer of the Company`s type. Because some of the Elements are not required to be addressed, gaps may occur in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the Summary it is possible that no relevant information can be provided. In such case a short description of the Element is included with the mention of "not applicable" as the disclosure.

1.1 Section A – Introduction and warnings

A.1	Warnings	This Summary should be read as an introduction to the Prospectus. Any decision to invest in the Shares should be based on a review of the complete Prospectus. If a claim relating to the information contained herein is brought before a court, the plaintiff might, under the legislation of the relevant jurisdiction, have to bear the costs of translating the Prospectus to the local language before proceedings are initiated. Civil liability attaches only to those persons who are responsible for this Summary (including any translation thereof), but only to the extent this Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or if it does not provide, when read together with the other parts of the Prospectus, information which is material to investors when considering whether to invest in the Shares or not. For the definitions of terms used throughout this Prospectus, see section 15 "Definitions and glossary of terms".
A.2	Consent to use the Prospectus by financial intermediaries	Not applicable.

1.2 Section B – Issuer

B.1	Legal and Commercial Name	The Company’s legal name is Borr Drilling Limited. It is referred to commercially as Borr Drilling.
B.2	Domicile/ Legal Form/ Legislation/ Country of Incorporation	The Company is a public limited liability company incorporated under the laws of Bermuda with registration number 51741. The Company’s registered office and principal place of business is at Thistle House, 4 Burnaby Street, Hamilton HM11, Bermuda.

B.3	Key factors relating to operations/ Activities/ Products sold/ Services performed/ Principal markets	The Company's business comprises the owning and operation of jack-up drilling rigs which provide offshore drilling services to the oil and gas exploration and production industry worldwide. The Company focuses on the shallow water segment, i.e. drilling in water depths up to approximately 200 metres. The Company's strategy is to acquire and operate premium jack-up drilling rigs in advance of an expected recovery in the offshore drilling market and, on this basis, establish itself as the preferred provider of drilling services in the shallow water segment of the global offshore drilling market. The Group is the owner of a fleet of 12 jack-up drilling rigs (**"Rigs"**), eight of which are premium (delivered ex yard in 2001 or later). Further, the Group will take delivery of 6 premium jack-up drilling rigs from PPL Shipyard Pte. Limited ("**PPL**") during the next six quarters. Further, the Group has five premium jack-up drilling rigs on order from Keppel FELS Limited ("**Keppel**") and three premium-jack-up drilling rigs on order from PPL with delivery dates from the fourth quarter 2017 to the fourth quarter 2020. Once all jack-up drilling rigs on order have been delivered, the Group will own a total of 26 jack-up drilling rigs, of which 22 are premium. Two of the Rigs are currently operating in Thailand. These are "Odin" and "Mist" (the "**Thailand Rigs**"), both of which are on charter to a wholly owned subsidiary (the "**Transocean Charterer**") of Transocean Inc. ("**Transocean**") on the terms of two bareboat charterparties (the "**Transocean Bareboat Charters**"). The Transocean Charterer is using the Thailand Rigs to perform drilling contracts with an oil major in Thailand. Two of the other Rigs, "Frigg" and "Norve" are in the process of being employed. On 14 June 2017, Total E&P Nigeria Limited (**"Total Nigeria"**) issued a conditional letter of commitment to the Company and Valiant Energy Service West Africa Limited (**"Valiant"**) setting forth the terms upon which Total Nigeria would charter "Frigg" for a fixed period of 12 months and an optional period of 12 months thereafter (the "**Total LoC**") for use in Nigeria. On 22 June 2017, the Company executed a memorandum of agreement with Valiant (the "**Valiant MoA**") setting forth the main principles pursuant to which the parties should collaborate to secure the drilling contract set forth in the Total LoC (the "**Total**

		Drilling Contract"). The Total LoC sets out the main terms of a drilling contract for "Frigg". The parties to such contract will be Borr International Operations I Inc. ("**Borr Operator**") that will charter in "Frigg" from Borr Jack-Up I Inc. on bareboat terms (and provide it to Total Nigeria) and Valiant that will provide local operational content required by Nigerian law. Nigerian law requires that the local provider of services under a drilling contract has or will acquire an equity interest of at least 50% in the rig deployed in Nigeria. The Nigeria Content Development and Monitoring Board ("**NCDMB**") has a discretion to approve an alternative structure as a means of complying with the equity requirements and for the Total Drilling Contract, this shall be structured such that Valiant Offshore Contractors Limited (**"VOCL"**) will acquire 10% of the shares in Borr Jack-Up XVI Inc., the owner of "Eir" (which is currently stacked in the UK) for USD 2 million, such purchase to be financed by a seller's credit from the Company repayable over 2 years. Furthermore, VOCL shall have the right to purchase another 40% of the shares in Borr Jack-Up XVI Inc. after the seller's credit for the first 10% has been paid and subject to the Total Drilling Contract having been extended beyond 2 years or other satisfactory employment secured for "Frigg" or "Eir" (or another Rig) in Nigeria. On 18 October 2017, the Company signed the collaboration agreement and equity transfer documents with Valiant. The execution of the Total Drilling Contract has to be approved by the NCDMB. Assuming that the NCDMB approves, Total Nigeria, Borr Operator and Valiant will sign the Total Drilling Contract and conditions precedent will be satisfied, including arrangements for the import of "Frigg" to Nigeria. "Frigg" will then be mobilised to Nigeria and is expected to commence drilling operations in the fourth quarter of 2017. On 12 September 2017, the Company signed a letter of intent with BW Energy Dussafu B.V., a subsidiary of BW Offshore (**"BWE"**) for a drilling campaign offshore Gabon. The drilling rig "Norve" will be utilised to drill and complete two subsea development wells. The program has an estimated duration of 140 – 160 days and is scheduled to commence in January 2018. "Norve" is expected to mobilise from Limbe, Cameroon, in December 2017 to its first drilling location offshore Gabon.
B.4a	Recent significant trends	The Company made its first investment on 2 December 2016 by agreeing to buy two premium jack-up drilling rigs (the "**Hercules Rigs**") from Hercules British Offshore Limited ("**Hercules**"). The transaction (the "**Hercules Transaction**") was completed on 23

		January 2017. The Hercules Rigs were acquired at a total price of USD 130 million, representing USD 65 million per Rig. The Company made its second investment on 23 May 2017, by agreeing to buy all of the shares in issue in eight single purpose companies (the "**Transocean Companies**") from various subsidiaries of Transocean Inc. (**"Transocean"**) together with all of the rights and obligations of Transocean under five contracts, each for the construction of one jack-up drilling rig (the "**Keppel Newbuildings**") under construction by Keppel (the "**Keppel Newbuilding Contracts**"). The Transocean Companies owned ten jack-up drilling rigs (the "**Transocean Rigs**") together with spare parts and inventory related thereto. Three of the Transocean Rigs were chartered to the Transocean Charterer, on the terms of the Transocean Bareboat Charters. One of these Rigs has subsequently been redelivered to the Group. The transaction with Transocean (the "**Transocean Transaction**") included the purchase of various spare parts and inventory attributable to the Transocean Rigs which were owned by other subsidiaries of Transocean than the Transocean Companies, certain equipment on order from third parties designated for the Newbuildings and the move of two of the Transocean Rigs from Congo to Cameroon. The consideration due from the Company to Transocean in the Transocean Transaction consisted of a cash payment at closing (part of which had been paid earlier by way of a deposit), the assumption by the Company (through subsidiaries) of Transocean's rights and obligations under the Keppel Newbuilding Contracts and an amount equal to the actual remaining revenue (after operating expenditures) under the Transocean Bareboat Charters for the remainder of their terms. The total value of this was approximately USD 1.35 billion. For further information about the Transocean Transaction, see section 9.8.1 "Historical investments". The Company had, in parallel with the negotiation of the terms of the Transocean Transaction, negotiated the terms and conditions pursuant to which Keppel agreed to a novation of the Keppel Newbuilding Contracts to five subsidiaries of the Company and, subsequently, to amend the terms of these (the "**Keppel Transaction**") as further described in section 9.8.1 "Historical investments" and section 5.10 "The Newbuilding Contracts". The Transocean Transaction and the Keppel Transaction (the

		"**May Transactions**") were both completed on 31 May 2017. On 6 October 2017, the Company signed a master agreement with PPL setting forth the terms pursuant to which PPL agreed to sell six premium jack-up drilling rigs and three premium jack-up drilling rigs under construction at its yard in Singapore (together, the "**PPL Rigs**") to designated subsidiaries of the Company for a consideration of approximately USD 1.3 billion. The agreed purchase price for each PPL Rig is USD 139.5 million. USD 55.8 million of this shall be paid no later than on 31 October 2017, while the remainder, USD 83.7 million, shall be paid on delivery of each PPL Rig. The PPL Rigs will be delivered successively in fourth quarter 2017 (one), first quarter 2018 (two), second quarter 2018 (two), third quarter 2018 (two), fourth quarter 2018 (one) and first quarter 2019 (one). On 9 October 2017, the Company concluded a private placement of 162,500,000 new shares at a subscription price of USD 4.00 (the "**October Private Placement**"). This raised gross proceeds to the Company of USD 650 million. Approximately USD 502 million of this will be used to finance the pre-delivery instalment to PPL. The remainder will be used for general corporate purposes. The Company has, furthermore, received an offer of financing of the delivery payment for each PPL Rig. The Company will have no instalments under the delivery financing for each PPL Rig under the five year term of the loan. PPL is entitled to a back-end fee, payable after five years from delivery, of USD 3,250,000 plus 25% of the increase in the market value of the relevant PPL Rig from 31 October 2017 until the repayment date less the relevant Group Company's net cost of ownership of the Rig. The offered delivery financing will be secured by a first priority mortgage over the relevant PPL Rig and a guarantee from the Company.
B.5	Group	The Company is the parent company of the Group. The operations of the Group are managed by wholly owned subsidiaries of the Company.
B.6	Persons having an interest in the Issuer's capital or voting rights	As of 18 October 2017, the Company had 2,154 shareholders. Shareholders holding/controlling 5% or more of the Shares have an obligation to disclose this to the market, cfr. The Norwegian Securities Trading Act, section 11.5 "Disclosure obligations". The Company is not aware of any persons or entities, except for those set out below, who, directly or indirectly, own and/or control

		more than 5% of the Shares as of the date of this Prospectus. The Company is, as of the date hereof, aware of the following major interests in the Shares: • Schlumberger Oilfield Holdings Limited (**"Schlumberger"**) owns 75,658,500 Shares which represent 15.8% of the total Shares in issue. • Mr. Tor Olav Trøim, the Chairman of the Board, holds 37,410,588 Shares representing 7.8% of the total Shares in issue through his affiliated company Magni Partners Limited (**"Magni Partners"**) and two trusts established for the benefit of Mr Trøim, Taran Holdings Limited (**"Taran"**) and Drew Holdings Limited (**"Drew"**). • According to a filing made on 1 September 2017, FMR LLC holds 26,910,958 Shares representing 5.6% of the total Shares in issue. The Company is not aware of any other persons or entities that, directly or indirectly, jointly or severally, own or control more than 5% of the Shares. The Company is not aware of any arrangements that may result in, prevent, or restrict a change in control over the Company. The Company is not aware of any shareholders' agreements or other contractual arrangements among its shareholders.
B.7	Selected historical key financial information	The following selected financial information has been extracted from the Company's audited consolidated financial statements for the period from the incorporation of the Company on 8 August 2016 to 31 December 2016 (the "**Annual Financial Statements**") and the Company's unaudited consolidated financial statement as of and for the three and six months ending at 30 June 2017 (the "**Q2 2017 Financial Statements**"). The Annual Financial Statements and the Q2 2017 Financial Statements have been prepared in accordance with generally accepted accounting principles in the United States of America (**"US GAAP"**). The selected financial information included herein should be read in connection with and is qualified in its entirety by reference to the Annual Financial Statements and the Q2 2017 Financial Statements which are incorporated by reference in this Prospectus.

Selected statement of income data

Amounts in USD 1,000s	Q2 2017 (Unaudited)	H1 2017 (Unaudited)	2016 (Audited)
Operating expenses			
Rig operating and maintenance expenses	(3,122)	(5,459)	-
Depreciation and amortization	(3,462)	(4,412)	-
General and administrative expenses	(6,296)	(7,864)	(753)
Total operating expenses	**(12,880)**	**(17,735)**	**(753)**
Operating loss	**(12,880)**	**(17,735)**	**(753)**
Other financial income (expense), net	1,122	1,114	-
Total financial items and other income/(expense), net	**(11,758)**	**(16,621)**	**(753)**
Loss before income taxes	**(11,758)**	**(16,621)**	**(753)**
Income tax expense	(32)	(40)	(2)
Net loss for the period	**(11,790)**	**(16,661)**	**(755)**
Basic loss per Share	**(0.071)**	**(0.133)**	**(0.075)**
Diluted loss per Share	**(0.071)**	**(0.133)**	**(0.075)**

Selected balance sheet data

Amounts in USD 1,000s	Q2 2017 (Unaudited)	2016 (Audited)
ASSETS		
Current assets		
Cash and cash equivalents	193,789	138,119
Restricted cash	11,105	-
Other current assets	8,748	-
Total current assets	**213,642**	**138,119**
Non-current assets		
Property, plant and equipment	250	3
Jack-up drilling rigs	681,808	-
Newbuildings	122,841	-
Marketable securities	5,350	-
Deposits and costs for business combinations and jack-up drilling rigs	-	19,966
Total non-current assets	**810,249**	**19,969**
Total assets	**1,023,891**	**158,088**
LIABILITIES AND EQUITY		
Current liabilities		
Trade payables	7,915	40
Accruals and other current liabilities	12,357	204
Total current liabilities	**20,272**	**244**
Non-current liabilities		
Other non-current liabilities	71,356	-
Total non-current liabilities	**71,356**	**-**
Commitments and contingencies	**-**	**-**
Total liabilities	**91,628**	**244**
EQUITY		
Common shares of par value USD 0.01 per share	3,158	775
Additional paid in capital	946,723	157,824
Other comprehensive income	(202)	-
Accumulated deficit	(17,416)	(755)
Total equity	**932,263**	**157,844**
Total liabilities and equity	**1,023,891**	**158,088**

Selected statement of cash flow data

Amounts in USD 1,000s	Q2 2017 (Unaudited)	H1 2017 (Unaudited)	2016 (Audited)
Cash flows from operating activities			
Net (loss)/income	(11,790)	(16,661)	(755)
Adjustments to reconcile net (loss)/income to net cash provided by operating activities:			
Non-cash compensation expense related to Warrants	85	85	430
Depreciation and amortization	3,462	4,412	-
Unrealised loss on derivatives	995	995	-
Change in other current assets	(3,710)	(8,204)	-
Change in other current liabilities	9,523	14,124	244
Net cash (used in)/provided by operating activities	**(1,435)**	**(5,249)**	**(81)**
Cash flows from investing activities			
Decrease (Increase) in restricted cash	209,950	(11,105)	-
Purchase of plant and equipment	(257)	(257)	(3)
Purchase business combination (Acquisition)	(288,673)	(320,673)	-
Deposits on business combinations	-	-	-
Purchase of marketable securities	(5,550)	(5,550)	-
Payment and costs in respect of Newbuildings	(275,000)	(275,000)	-
Payments and costs in respect of Rigs	-	(117,691)	(13,963)
Net cash (used in)/provided by in investing activities	**(359,530)**	**(730,276)**	**(13,966)**
Cash flows from financing activities			
Proceeds from the issue of Shares, net of issuances cost and conversion of shareholder loan	-	778,447	139,166
Proceeds from related party shareholder loan	-	12,750	13,000
Net cash (used in)/provided by financing activities	**-**	**791,197**	**152,166**
Net increase in cash and cash equivalents	**(360,965)**	**55,672**	**138,119**
Foreign exchange translation difference	1	(2)	-
Cash and cash equivalents at beginning of the period	554,753	138,119	-
Cash and cash equivalents at the end of period	**193,789**	**193,789**	**138,119**
Supplementary disclosure of cash flow information			
Interest paid, net of capitalized interest	-	-	-
Taxes paid	-	-	-

Significant subsequent changes	On 1 August 2017, the Company transferred 500,000 of the Shares held in treasury to Simon William Johnson, the Group's designated chief executive officer (the "**CEO**") as part of his remuneration package. On 6 October 2017, the Company signed a master agreement with PPL to acquire the PPL Rigs for a consideration of approximately USD 1.3 billion. On 6 October 2017 the Company issued a further 4,736,887

		warrants (**"Warrants"**) to Schlumberger as a consequence of a final collaboration agreement between the Company and Schlumberger being signed. The collaboration between the Company and Schlumberger will provide a service which no other provider in the international offshore drilling industry is capable of due to the unique combination of services, technology, equipment and rigs the parties will have. Immediately thereafter, the Company agreed to repurchase all of 9,473,774 Warrants held by Schlumberger at a price of USD 0.50 per Warrant, USD 4.7 million in total. Consequently, all Warrants were then cancelled. On 9 October 2017, the Company completed the October Private Placement raising gross proceeds of USD 650 million. In July 2017: The Company granted 2.75 million share options to new employees with strike price of USD 3.50. In October 2017: The Company granted a further 1.8 million shares options to key employees with strike price of USD 4.00. Apart from the above, there has been no significant change in the financial or trading position of the Group since 30 June 2017.
B.9	Profit forecast or estimate	No profit forecasts or estimates are included in this Prospectus.
B.10	Qualifications in audit report	There are no qualifications in the audit reports.
B.11	Working capital	The Company is, as of the date of this Prospectus, of the opinion that the Group's working capital is sufficient for the Group's present requirements in a twelve months perspective.

1.3 **Section C – Securities**

C.1	Type of class of securities being offered	The Company has one class of Shares in issue and all Shares are equal in all respects. Each share has a par value of USD 0.01. The Shares have been issued under the Bermuda Companies Act. The Company's register of members (shareholders) is maintained in physical form at the Company's registered office in Bermuda. To achieve compatibility with the requirements of Bermuda company law as to the registration and transfer of shares, the Shares will be recorded in the Company's register of members in the name of DNB Bank ASA (**"DNB"**) which will hold these Shares as nominee on behalf of the beneficial owners. For the purpose of trading in the Shares on Oslo Børs and Merkur Market, the Company will maintain a register in the VPS operated by DNB's securities services division (the "**Registrar**"). This register (the "**Sub-Register of Shareholders**") will record the beneficial ownership interests in the Shares. An investor will be registered in the Sub-Register of

		Shareholders as beneficial owner of the Shares and the interest traded on Oslo Børs will be referred to as shares in the Company. For the purpose of Bermuda law, the Registrar will, however, be regarded as the owner of the Shares. Investors registered as owners of the Shares in the Sub-Register of Shareholders will have to exercise their rights of ownership relating to the Shares through the Registrar as their nominee. The Shares are registered in book-entry form in the Sub-Register of Shareholders on International Securities Identification Number (**"ISIN"**) BMG 575071086. The New Shares have been given a temporary ISIN, BMG 1466R1245 and Ticker, "BDRILL ME", and have furthermore been listed on Merkur Market from 11 October 2017. The New Shares will be transferred to the ISIN and Ticker of the Existing Shares as soon as practically possible following the approval of this Prospectus by the Norwegian Financial Supervisory Authority (the **"Norwegian FSA"**).
C.2	Currency	The par value of each Share is USD 0.01. Trading in the Shares on Oslo Børs (and the price quoted) is settled in NOK.
C.3	Number of shares/ Par value	At the date of this Prospectus, the Company has an authorised share capital of USD 5,250,000 divided on 525,000,000 Shares with a par value of USD 0.01 and an issued share capital of USD 4,782,925 divided on 478,292,500 Shares with a par value of USD 0.01.
C.4	Rights attached	The Company has one class of shares and each Share carries one vote. A beneficial owner of a Share can only exercise his voting and other shareholder rights through the Registrar (in its capacity as nominal owner) and must do so by instructing the Registrar to vote his Shares in accordance with his directions in the Company's general meeting.
C.5	Restrictions	Subject to the Bermuda Companies Act, the Company's bye-laws (the "**Bye-laws**") and memorandum of association (the "**Memorandum of Association**") and any applicable securities laws, there are no restrictions on trading in the Shares
C.6	Listing and admission to trading	The Existing Shares are listed on Oslo Børs under ticker code "BDRILL". The New Shares will be admitted to trading on the Oslo Børs and transferred to the ISIN of the Existing Shares as soon as practically possible following the approval of this Prospectus by the Norwegian FSA.
C.7	Dividend policy	The Company has not distributed any dividends since its incorporation and does not intend to distribute any dividend in the near future.

1.4 **Section D – Risks**

D.1	Key risks specific to the industry and the Company	Investors should consider the following key risks specific to the offshore drilling industry and the Company: • The Company may not be able to secure employment for those of the Rigs that are stacked nor extend the employment for those Rigs that are working. The Company will then either have to sell assets or raise further financing in order to cover its operating cost. • Some of the oldest Rigs may, if no employment can be secured for them, have to be scrapped at a net cost to the Company. • Reactivating the Rigs that are stacked may involve costs which cannot be recovered under any employment contract for which such Rig(s) are activated. • A decline in the demand for the Group's services and/or an increase in the supply of drilling services in the shallow water segment may lead to a reduction in day rate levels compared to those that prevail today. This may lead to asset impairments. • The completion of the construction of the Newbuildings is subject to a number of risks which could cause delays in the delivery dates and/or increased costs to the Company. • The Group is, wherever its Rigs operate, subject to complex laws and regulations (including environmental laws) which can adversely affect the cost of conducting its business.
D.3	Key risks relating to the Shares	Investors should consider the following key risks related to the Shares: • Future issue of shares or other equities may dilute the holdings of shareholders and could materially affect the price of the Shares. • An investor purchasing Shares on the Oslo Børs will, as beneficial owner only, not be able to directly exercise his shareholder rights. • Investors` rights and responsibilities as shareholders will be governed by Bermuda law which differs in some respects, from the right and responsibilities of shareholders under other jurisdictions, including Norway and the United States, and the rights of the Company's shareholders under Bermuda law may not be as clearly established as shareholder rights are established under the laws of other jurisdictions. • Because the Group is incorporated under the laws of Bermuda, shareholders may face difficulty protecting their interests, and their ability to protect their rights through courts outside Bermuda, including the courts of United States and Norway, may be limited. • Shareholders outside Norway are subject to exchange rate risk.

1.5 **Section E – Offer**

E.1	Net proceeds/estimated expenses	The net proceeds of the October Private Placement are expected to be approximately USD 641 million. Total fees to be paid to investment banks and Magni Partners related to the October Private Placement are USD 8.75 million, which translate to approximately 1.3% of gross proceeds.
E.2a	Reasons for the issuance of new shares and use of proceeds	The purpose of the October Private Placement was to raise capital to finance the pre-delivery instalment on the PPL Rigs and general corporate purposes.
E.3	Terms and conditions	The main terms of the October Private Placement were a subscription price of USD 4.0 per share and tradability of the New Shares on Merkur Market from the date of issue until approval of this Prospectus by the Norwegian FSA following which they will be listed and tradable on the Oslo Stock Exchange.
E.4	Interest material to the issue	The Managers and their affiliates have provided from time to time, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Managers, their employees and any affiliate may currently own existing Shares in the Company. The Managers do not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so. Total fees to be paid to Managers and Magni Partners related to the October Private Placement are USD 8.75 million, which translate to approximately 1.3% of gross proceeds. Magni Partners has provided assistance to the Company in relation to the PPL Transaction and the October Private Placement. The Company will compensate Magni Partners for this with a fee of USD 1.5 million which shall be paid 1 month after completion of the October Private Placement. If the share price of Borr Drilling does not perform, Magni Partners has offered to cancel all or part of its compensation. Other than what is set out above, there are no other interests (including conflict of interests) of natural and legal persons involved in the October Private Placement.
E.5	Dilution	Prior to the October Private Placement, the Company had 315,792,500 shares in issue. The 162,500,000 New Shares issued in the October Private Placement had an immediate dilutive effect to existing shareholders that did not participate therein.
E.7	Estimated expenses charge to investor	Not applicable. No expenses will be charged to the investor by the Company.

2. RISK FACTORS

2.1 General

Investing in the Shares involves a high degree of risk. An investor considering such an investment should therefore carefully consider the following risk factors, being the principal known risks and uncertainties faced by the Group as of the date hereof, as well as the other information contained herein. Should any of the following risks materialise, it could have a material adverse effect on the Group's business, prospects, result of operations, cash flows and financial position. The price of the Shares may, as a consequence, decline, causing investors to lose all or part of their invested capital.

It is not possible to quantify the significance of each individual risk factor, as each of these may materialize to a greater or lesser degree. The order in which the individual risks are presented below is not intended to provide an indication of the likelihood of their occurrence nor of the severity or significance of any individual risk.

An investment in the Shares is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of their investment.

The information is presented as of the date hereof and is subject to change, completion or amendment without notice.

2.2 Business risks

2.2.1 The Group may not be able to secure employment for the rigs it owns from time to time (a "**Rig**" or, collectively, the "**Fleet**") or extend the current employment of any Rig that is working.

Sixteen of the Rigs, the five newbuildings on order from Keppel FELS Limited (**"Keppel"**) and the three newbuildings on order from PPL Shipyard Pte Limited (**"PPL"**) (together, the "**Newbuildings**") are currently unemployed. The Company believes it will be able to secure satisfactory employment for most of the Rigs in the short to medium term, but no assurance can be given of this.

The level of activity in the offshore drilling industry is cyclical, volatile and impacted by oil and natural gas prices. Sustained periods of low oil and natural gas prices typically result in reduced demand for drilling services because the capital expenditure budgets of companies exploring for or producing oil and/or natural gas ("**E&P Companies**") are sensitive to changes in oil and natural gas prices. A decline in the activity level of the oil and natural gas industry could therefore have a material adverse effect on the demand for the Group's services and on the business, financial condition and results of the Group's operations.

The Group's focus will be on operations in the shallow water segment where the drilling costs are generally lower than in the deeper water environments. Hence, such areas will normally be preferred for new exploration over areas in deeper water. Activity in this segment therefore tends to be maintained longer. In recent years, oil and natural gas prices have decreased and exploration and development activities have fallen as a consequence. Any further decrease in exploration, development or production drilling expenditures by E&P Companies could have a material adverse effect on the Group's business, financial condition and results of operations.

The business in which the Group operates is extremely competitive. Contracts are generally awarded based on tender processes. Price competition is typically a key factor in determining a contract award. Customers may also consider availability and location of rigs offered, operational and safety performance records, and condition and suitability of equipment. Competition among providers of offshore drilling services is global as rigs can be moved relatively easy from areas of low utilization and day rates to areas of greater activity and corresponding higher day rates. Costs connected with relocating rigs for these purposes are sometimes substantial. If the Group is unable to compete successfully for employment contracts, its revenues and profitability may suffer.

The offshore drilling industry has, historically, been cyclical with periods of high demand, limited supply and high day rates alternating with periods of low demand, excess supply and low day rates. Periods of low demand and excess supply intensify competition in the industry and may result in rigs being stacked or earning substantially lower day rates than the historical average for long periods of time. The industry is, at the moment, at the bottom of such a cycle. There can be no assurance when the market will improve.

The offshore drilling industry is influenced by additional factors including:

- the economics of non-conventional hydrocarbons;
- the political and military environment in oil and natural gas reserve jurisdictions;
- regulatory restrictions on offshore drilling;
- the discovery of new oil and natural gas reserves;
- the level of costs for offshore oil and natural gas and construction services; and
- oil and natural gas transportation costs;

Any of these factors, together with prolonged periods of low utilization and day rates, could reduce demand for the Group's services and adversely affect its business, financial condition or results of operations.

Four of the Rigs are built prior to 2000. It is not likely that all of these will be able to secure any employment until such time as the market has materially improved, if at all.

If no or only a limited employment of the Fleet is secured, the Group's cash reserves may be spent on running costs requiring further amounts of equity or other finance to be raised to finance continued operations.

2.2.2 The Group may have to scrap some of the Rigs if not able to secure satisfactory employment for them.

The Group strategy is to offer the market premium jack-up drilling rigs. While a majority of the Rigs (following delivery of the Newbuildings) will fall into this category, four of the Rigs are built prior to 2000. While the Company will seek employment opportunities for these Rigs, it may, if it proves difficult to employ these at acceptable day rates, be economically most beneficial to scrap all or some of these.

This will involve a net cost to the Company.

2.2.3 The Group might not be able to acquire additional jack-up drilling rigs at attractive price levels or at all. Any such acquisitions could have an adverse effect on the Group's results of operations.

A key part of the strategy of the Company is to acquire additional, premium jack-up drilling rigs on attractive terms in order to grow the Fleet and position itself for an expected market recovery.

The consummation and timing of any future acquisitions will depend upon, among other things, the availability of attractive jack-up drilling rigs for sale, the Company`s ability to negotiate acceptable purchase agreements and its ability to obtain financing for such acquisitions on acceptable terms. No assurances can be given that the Company will be able to consummate any further acquisitions. This may thus limit the Group's future growth.

Further, any acquisitions could expose the Group to, among other things, the risk of incorrect assumptions related to revenue and costs, timing of a potential recovery in day rates, undetected defects and unforeseen consequences or other external events beyond the Group's control.

2.2.4 The market value of the Rigs and the Newbuildings (when delivered) and any further rigs the Group acquires may decrease. This could cause the Group to incur losses if the Group decide to sell them. Further, a decline in day rates and utilization could force the Company to impair some or all of its Rigs.

The fair market value of the Rigs and the Newbuildings (when delivered) may increase or decrease depending on a number of factors, including:

- general economic and market conditions affecting the offshore drilling industry, including competition from other offshore drilling companies;
- types, sizes and the technical specifications of the Rigs and the Newbuildings (when delivered) and their condition;
- demand for the Rigs and the Newbuildings (when delivered);
- costs of building new rigs;
- prevailing level of day rates for drilling services;
- governmental or other regulations; and
- technological advances.

If the Group sells a Rig or, at a time when the value thereof has decreased, such a sale may result in a loss. Such a loss could materially and adversely affect the Group's business, financial condition or results of operations.

The Group has acquired the Rigs and the Newbuildings at lower prices than the historical average for similar jack-up drilling rigs. However, the Group will evaluate their book values whenever events or changes in circumstances indicate that the carrying amount of a Rig may not be recoverable. An impairment loss on property and equipment exists when the estimated undiscounted future cash flows expected to result from the use of the asset and its eventual disposition is less than its carrying amount.

2.2.5 If the Group was to reactivate speculatively any of its stacked Rigs or commit speculatively to order further new rigs, the Group will be exposed to a number of risks which, in turn, could adversely affect the Group's financial position, results of operations and cash flows.

If the Group was to reactivate speculatively any of the Rigs which are currently stacked or any Rigs which may be stacked in the future, or to speculatively enter into further construction contracts for new rigs, it will be exposed to a number of risks. For example, the reactivation process is subject to project management and execution risks and newbuilding projects are subject to the risks discussed below. Failure to execute a reactivation project on time and on budget, as well as a failure to contract such Rig or a new rig on acceptable terms or in a timely manner could materially adversely affect the Group's financial position, results of operations and cash flows.

2.2.6 An over-supply of new rigs in the market may lead to a reduction in day rates and could therefore materially impact the Group.

Prior to the recent industry downturn, industry participants have increased the supply of rigs by ordering new rigs. This has and will, when these are delivered, create a significant oversupply of rigs in the market. This together with the reduction of demand has caused a material decline in utilization and day rates. To the extent that rigs currently under construction have not been contracted for future work, there may be increased price competition as those rigs enter the market, leading to a further reduction in day rates. As a result, the Group's business, financial condition and results of operations would be materially adversely affected.

2.2.7 Upgrade, refurbishment and repair projects are subject to risks, including delays and cost overruns, which could have an adverse impact on the Group's available cash resources and results of operations.

The Group incurs upgrade, refurbishment and repair expenditures for its Rigs from time to time, typically when upgrades are required by industry standards and/or by law. Such expenditures are also necessary in response to requests by customers, inspections, regulatory or certifying authorities or when a Rig is damaged. Upgrade, refurbishment and repair projects are subject to execution risks of delay or cost overruns, including costs or delays resulting from the following:

- unexpected long delivery times for, or shortages of, key equipment, parts and materials;
- shortages of skilled labour and other shipyard personnel necessary to perform the work;
- unforeseen increases in the cost of equipment, labour and raw materials, particularly steel;
- unforeseen design and engineering problems;
- latent damages to or deterioration of hull, equipment and machinery in excess of engineering estimates and assumptions;
- unanticipated actual or purported change orders;
- Health, Safety and Environment (**"HSE"**) incidents;
- failures or delays of third-party service providers;
- disputes with shipyards and suppliers;
- delays and unexpected costs of incorporating parts and materials needed for the completion of projects;
- changes to a particular customers' specifications;
- failure or delay in obtaining acceptance of a Rig from a customer;
- financial or other difficulties at shipyards;
- adverse weather conditions; and

- inability or delay in obtaining flag-state, classification society, certificate of inspection, or regulatory approvals.

Significant cost overruns or delays could adversely affect the Group's business, financial condition and results of operations. Additionally, capital expenditures and deferred costs for upgrading and refurbishment projects, including any planned refurbishments and upgrades of the Rigs, could exceed the Group's planned capital expenditures. Failure to complete an upgrade, refurbishment or repair projects on time may, in some circumstances, result in the delay, renegotiation or cancellation of an employment contract and could put at risk planned arrangements to commence operations on schedule. The Group could also be exposed to contractual penalties for failure to complete an upgrade, refurbishment or repair project and consequentially a failure to commence operations in a timely manner. Rigs undergoing upgrade, refurbishment or repairs generally do not earn a day rate during the period they are out of service. Failure by the Group to minimize lost day rates resulting from the immobilization of its Rigs may materially adversely impact the Group's business, financial condition and results of operations.

2.2.8 Reactivation of stacked Rigs is subject to risks, including delays and cost overruns, which could have an adverse impact on available cash resources and results of operations.

The Group plans to reactivate those of the Rigs that are currently stacked once the market and availability of employment contracts allows for positive economic results of such reactivation. Reactivation projects are subject to execution risks of delay or cost overruns, including costs or delays.

Significant cost overruns or delays may adversely affect the Group's business, financial condition and results of operations. Capital expenditures and deferred costs for reactivation of stacked Rigs, could also exceed the Group's planned capital expenditures. Failure to complete a reactivation on time may, in some circumstances, result in the delay, renegotiation or cancellation of an employment contract and could put at risk planned arrangements to commence operations on schedule. The Group could also be exposed to contractual penalties for failure to complete a reactivation and commence operations in a timely manner.

2.2.9 Supplier capacity constraints or shortages in parts, crew or equipment, supplier production disruptions, supplier quality and sourcing issues or price increases could increase the Group's operating costs, decrease revenues and adversely impact the Group's operations.

The Group's reliance on third-party suppliers, manufacturers and service providers to secure equipment and crew used in the Group's drilling operations exposes it to volatility in the quality, price and availability of such items. Certain specialized parts, crew and equipment the Group uses in its operations may be available only from a single or a small number of suppliers. A disruption in the deliveries from such third-party suppliers, capacity constraints, production disruptions, price increases, defects or quality-control issues, recalls or other decreased availability or servicing of parts and equipment could adversely affect the Group's ability to meet its commitments towards its customers, adversely impact operations and revenues by resulting in uncompensated downtime, reduce day rates or the cancellation or termination of contracts, or increase the Group's operating costs.

2.2.10 There may be limits to the Group's ability to mobilize Rigs between geographic areas, and the duration, risks and associated costs of such mobilizations may be material to the Group's business.

The offshore drilling market is a global market as rigs can be moved easily from one area to another. However, the ability to move rigs can be impacted by several factors including, but not limited to, governmental regulation and customs practices, the significant costs and risk of damage related to moving a rig, availability of tugs and dry tow vessels, weather, political instability, civil unrest, military actions and the technical capability of a rig to relocate and operate in various environments. Additionally, the Group may not be paid for the time that a Rig is out of service due to a move being made. The Group may relocate a Rig to another geographic market without a customer contract, which could result in costs not reimbursable by future customers. Mobilisation and relocating activities could therefore have a material adverse effect on the Group's business, financial condition and results of operations.

2.2.11 The Group's business involves numerous operating hazards and insurance and contractual indemnity rights may not be adequate to cover any losses resulting therefrom.

The Group's operations are subject to the usual hazards inherent in the offshore drilling industry. These hazards include, but are not limited to blowouts, reservoir damage, punch through, loss of production, loss of control of the well, abnormal drilling conditions, mechanical or technological failures, craterings, fires and pollution and failure of employees to comply with applicable HSE guidelines. The occurrence of any of these events may result in the suspension of drilling operations, fines or penalties, claims or investigations by the customer, regulatory bodies and others affected by such events, severe damage or destruction of property and equipment involved, injury or death to Rig personnel, environmental damage and increased insurance costs. The Group may also be subject to personal injury and other claims of personnel as a result of the Group's drilling operations. Operations also may be suspended because of machinery breakdowns, abnormal operating conditions, failure of subcontractors to perform and personnel shortages.

In addition, the Group's operations are subject to perils peculiar to marine operations including capsizing, grounding, collision, sinking and loss or damage from severe weather. Severe weather could have a material adverse effect on the Group's operations, damaging Rigs as a consequence of high winds, turbulent seas, or unstable sea bottom conditions. Such occurrences could potentially cause the Group to curtail operations for significant periods of time while repairs are performed.

Damage to the environment could result from operations, particularly through blowouts, oil spillage or extensive uncontrolled fires. The Group may also be subject to fines, penalties resulting from property, environmental, natural resource and other damage claims by governments, oil and natural gas companies and other businesses operating offshore and in coastal areas, including claims by individuals living in or around coastal areas.

As is customary in the offshore drilling industry, the risks of the Group's operations are covered partially by insurance and partially by contractual indemnities from the Group's customers. However, insurance policies may not adequately cover losses and customers may not be financially able to indemnify the Group against all these risks. Also, the Group may not be able to enforce these indemnities due to legal or judicial factors. Additionally, the Group may be unable to agree terms in some customer contracts which would fully indemnify the Group from such damages and risks. As a result, the Group may not have insurance coverage or indemnification for all risks. Moreover, pollution and environmental risks

generally are not fully insurable. If a significant accident or other event resulting in damage to a rig, including severe weather, terrorist acts, war, civil disturbances, pollution or environmental damage, occurs and is not fully covered by insurance or a recoverable indemnity from a customer, it could materially adversely affect the Group's business, financial condition and results of operations.

2.2.12 The Group's insurance coverage may become inadequate to cover losses, more expensive, or may become unavailable in the future.

The Group's insurance coverage is subject to certain significant deductibles and does not cover all types of losses and, in some situations, may not provide full coverage for losses or liabilities resulting from the Group's operations. The Group may experience increased costs for available insurance coverage, which may impose higher deductibles and limit maximum aggregated recoveries, including for hurricane or cyclone-related windstorm damage or loss. Insurance costs may increase in the event of ongoing patterns of adverse changes in weather or climate. Although the Group believes its insurance cover is adequate, the Group's policies combined with such contractual indemnity rights as may be obtainable may not adequately cover all losses or may have exclusions of coverage for certain losses. The Group does not have insurance coverage or rights to indemnity for all risks. Moreover, the Group may not be able to maintain adequate insurance or obtain insurance coverage for certain risks in the future at premiums the Group consider reasonable. These insurance related risks could materially adversely affect the Group's business, financial condition and results of operations.

2.2.13 The Group may not be able to keep pace with technological developments and finance adequate capital expenditures in response to higher specification rigs being deployed within the industry.

While the majority of the Rigs are premium, the market for the Group's services will continuously undergo technological developments which may result in further improvements in the functionality and performance of rigs and equipment. Customers may thus, in the future demand the services of newer rigs, and may also impose restrictions on the maximum age of rigs. To the extent that the Group is unable to negotiate agreements for customer reimbursement for the cost of increasing the specification of the Rigs, the Group could be incurring higher capital expenditures than planned. Customer demand for newer, higher specification rigs might also result in newer rigs operating at higher overall utilization rates and day rates.

The Group has one of the younger fleets of jack-up drilling rigs in the industry. This profile will be strengthened when the Newbuildings are delivered. However, the Group may be required to increase capital expenditure to maintain and improve the Rigs and/or purchase and order newer, higher specification drilling rigs to meet the needs of customers. Consequently, the Group's future success and profitability will depend, in part, upon the Group's ability to keep pace with technological developments. If, in response to technological developments or changes in standards in the industry, the Group is not successful in acquiring new rigs or upgrading the Rigs in a timely and cost-effective manner, the Group could lose business and profits. In addition, current competitors or new market entrants may develop new technologies, services or standards that could render some of the Group's services or the Rigs obsolete, which could have a material adverse effect on the Group's business, financial condition and results of operations.

2.2.14 The completion of the construction of the Newbuildings is subject to various risks which could cause delays or cost overruns and have an adverse impact on the Group's results of operations.

Completion of the construction of the Newbuildings is subject to a number of risks, including:

- unexpectedly long delivery times for, or shortages of, key equipment, parts and materials;
- unforeseen design and engineering problems leading to delays;
- labour disputes and work stoppages at Keppel's and/or PPL shipyards;
- HSE accidents and incidents or other safety hazards;
- disputes with Keppel and/or PPL or other suppliers;
- last minute changes to the specifications;
- financial or other difficulties at Keppel and/or PPL;
- adverse weather conditions or any other force majeure events; and
- inability or delay in obtaining flag-state, classification society, or regulatory approvals or permits.

Failure to complete the construction of any Newbuilding on time may result in the delay, renegotiation or cancellation of employment contracts secured for the Newbuildings. Further, significant delays in the delivery of the Newbuildings could have a negative impact on the Group's reputation and customer relationships. The Group could also be exposed to contractual penalties for failure to commence operations in a timely manner, or experience a loss due to non-payment under refund guarantees issued by Keppel's and PPL's respective parent, all of which would adversely affect the Group's business, financial condition and results of operations.

2.2.15 The Group is dependent on key employees (including its senior management team) and the Group's business could be negatively impacted if the Group is unable to attract and retain personnel necessary for its success.

The Group currently has a limited number of employees. Consequently, the Group is highly dependent on these and its ability to strengthen the management team through further recruiting. Senior managers of the Group possess skills that are important to the operation of the Group's business. The loss or an extended interruption in the services of the Group's senior personnel, or the inability to attract or develop a competent and complete senior management team, could have an adverse effect on the Group's business, financial condition and results of operations.

2.2.16 The Group may not be able to recruit and retain sufficient qualified employees and / or labour costs may increase.

The Group is in the process of establishing its own management organisation. This requires highly skilled personnel to operate and provide technical services and support in the Group's operations. Many of the buyers of drilling services require specific minimum levels of experience and technical qualification for certain positions on rigs which they contract. In periods of high utilization and demand for drilling services, it is more difficult and costly to recruit and retain qualified employees, especially in foreign countries that require a certain percentage of national employees. This limited availability of qualified personnel coupled with local regulations focusing on crew composition could impact the Group's ability to fully staff and operate the Rigs and could also increase the Group's future operating expenses, with a resulting reduction in the Group's net income.

2.2.17 The Group's international operations involve additional risks, which could adversely affect the Group's business.

The Group operate in various regions throughout the world and as a result may be exposed to political and other uncertainties, including risks of:

- terrorist acts, armed hostilities, war and civil disturbances;
- acts of piracy, in regions of the world such as the South China Sea, Strait of Malacca, off the coast of West Africa and in the Gulf of Aden off the coast of Somalia;
- significant governmental influence over many aspects of local economies;
- repudiation, nullification, modification or renegotiation of contracts;
- limitations on insurance coverage, such as war risk coverage, in certain areas;
- political unrest or revolutions;
- foreign and United States monetary policy and foreign currency fluctuations and devaluations;
- the inability to repatriate income or capital;
- complications associated with repairing and replacing equipment in remote locations;
- import-export quotas, wage and price controls and imposition of trade barriers;
- regulatory or financial requirements to comply with foreign bureaucratic actions;
- changing taxation policies, including confiscatory taxation;
- other forms of government regulation and economic conditions that are beyond its control;
- corruption;
- natural disasters;
- public health threats; and
- claims by employees, third parties or customers.

In addition, drilling operations are subject to various laws and regulations in the countries in which the Group operate, including laws and regulations relating to:

- the equipping and operation of rigs;
- repatriation of foreign earnings;
- oil and natural gas exploration and development;
- taxation of offshore earnings and the earnings of expatriate personnel; and
- use and compensation of local employees and suppliers by foreign contractors.

Some foreign governments favour or effectively require (i) the awarding of employment contracts to local contractors or to rig owners that are majority-owned by their own citizens, (ii) the use of a local agents or (iii) foreign contractors to employ local citizens and suppliers.

Furthermore, business operations require authorizations from various national and local government agencies. Obtaining these authorizations can be a complex and time-consuming process. The Group cannot guarantee that the Group will be able to obtain or renew the authorizations required to operate the Group's business in a timely manner or at all. This could result in the suspension or termination of operations or the imposition of material fines, penalties or other liabilities.

The above mentioned factors could adversely affect the Group's ability to compete in those regions. The Group is unable to predict future governmental regulations which could adversely affect the international drilling industry. The actions of foreign governments may adversely affect the Group's ability to compete effectively. As such, the Group may be unable to effectively comply with applicable laws and regulations, including those relating to sanctions and import/export restrictions, which may result in a material adverse effect on the Group's business.

2.2.18 The Group is subject to complex laws and regulations, including environmental laws and regulations that can adversely affect the cost, manner or feasibility of conducting its business.

The Group operations are subject to numerous HSE laws and regulations in the form of international conventions and treaties, national, state and local laws and regulations in force in the jurisdictions in which the Rigs operate or are registered. These can significantly affect the ownership and operation of the Rigs. These requirements include, but are not limited to, the MARPOL, the International Convention on Civil Liability for Oil Pollution Damage of 1969, the International Convention on Civil Liability for Bunker Oil Pollution Damage and various international, national and local laws and regulations that impose compliance obligations and liability related to the use, storage, treatment, disposal and release of petroleum products, asbestos, polychlorinated biphenyls and other hazardous substances that may be present at, or released or emitted from, the Group's operations. Furthermore, the International Maritime Organisation (the "**IMO**"), at the international level and the legislatures in the jurisdictions in which the Group operates, may pass or promulgate new climate change laws or regulations. Compliance with such laws, regulations and standards, where applicable, may require installation of costly equipment or operational changes and may affect the resale value or useful lifetime of the Rigs. The Group is required to obtain HSE permits from governmental authorities for the Group's operations. The Group may also incur additional costs in order to comply with other existing and future laws or regulatory obligations, including, but not limited to, costs relating to air emissions, including greenhouse gases, management of ballast waters, rig maintenance and inspection, development and implementation of emergency incidents. To the extent financial markets view climate change and emissions of greenhouse gases as a financial risk, this could negatively impact the Group's cost of and access to capital. Legislation or regulations that may be adopted to address climate change could also affect the markets for the Group's services by making them more or less desirable than services associated with competing sources of energy. If a major accident, such as the Macondo incident, was to occur again, this could lead to a regulatory response which may result in increased operating costs.

In the event the Group was to incur additional costs in order to comply with such existing or future laws or regulatory obligations, these costs could have a material adverse effect on the Group's business, results of operations, cash flows and financial condition and result of operations. A failure to comply with applicable laws and regulations may result in administrative and civil penalties, criminal sanctions or the suspension or termination of operations. The Group could also be held responsible for costs relating to contamination at third party waste disposal sites used by the Group or on its behalf. Environmental laws often impose strict liability for remediation of spills and releases of oil and hazardous substances, which could subject the Group to liability without regard to whether the Group was negligent or at fault. For example, in certain jurisdictions, owners, operators and bareboat-charterers may be jointly and severally liable for the discharge of oil in territorial waters, including the 200 nautical mile exclusive economic zone. An oil spill could result in significant liability, including fines, penalties and criminal liability and remediation costs for natural resource damages under the laws of the jurisdictions in which the Group operates, as well as third-party damages and material adverse publicity. The Group is required to satisfy insurance and financial responsibility requirements for potential oil (including marine fuel) spills and other pollution incidents and the insurance may not be sufficient to cover all such risks. In addition, laws and regulations may impose liability on generators of hazardous substances, and as a result the Group could face liability for clean-up costs at third-party disposal locations. Environmental claims against the Group could result in a material adverse effect on the Group's business, financial condition and results of operations. Failure to obtain or maintain environmental, health or safety permits or approvals may result in a material adverse effect on the Group's business, results of operations, cash flows and financial condition.

Although the Rigs are separately owned by subsidiaries, it cannot be ruled out that the Company could be held liable for damages or debts owed by one of the Group Companies, including liabilities for oil spills under environmental laws. Therefore, it is possible that the Company could be subject to liability upon a judgment against any one Group Company.

The Rigs and the Newbuildings (when delivered) could cause the accidental release of oil or hazardous substances. Any releases may be large in quantity, above the permitted limits or occur in protected or sensitive areas where public interest groups or governmental authorities have special interests. Any releases of oil or hazardous substances could result in fines and other costs, such as costs to upgrade Rigs, clean up the releases (which may not be covered by contractual indemnification or insurance) and comply with more stringent requirements in the Group's discharge permits, and claims for natural resource, personal injury or other damages. Moreover, these releases may result in customers or governmental authorities suspending or terminating the Group's operations in the affected area, which could have a material adverse effect on the Group's business, financial condition and results of operations.

2.2.19 Failure to comply with applicable anti-corruption laws, sanctions or embargoes, could result in fines, criminal penalties, drilling contract terminations and could have an adverse effect on the Group's business.

The Group will operate the Rigs in a number of countries, including in some developing economies, which can involve inherent risks associated with fraud, bribery and corruption. As a result, the Group may be subject to risks under the US Foreign Corrupt Practices Act, the UK Bribery Act and similar laws in other jurisdictions. The Group is committed to doing business in accordance with applicable anti-corruption laws as well as sanctions and embargo laws and regulations (including US Treasury Office of Foreign Asset Control, or Office of Foreign Assets Control requirements) and has adopted policies and procedures, (including a Code of Conduct), which are designed to promote legal and regulatory compliance with such laws and regulations. However, the Group's employees, agents and/or partners acting on its behalf may take actions determined to be in violation of such applicable laws and regulations. Any such violation could result in substantial fines, sanctions, deferred settlement agreements, civil and/or criminal penalties, curtailment of operations in certain jurisdictions, and might as a result materially adversely affect the Group's business, financial condition or results of operations. In addition, actual or alleged violations could damage the Group's reputation and ability to do business. Furthermore, detecting, investigating and resolving actual or alleged violations are expensive and can consume significant time and attention of senior management.

2.2.20 Any failure to comply with the complex laws and regulations governing international trade, including import, export, economic sanctions and embargoes could adversely affect the Group's operations.

The shipment of equipment and materials, including rigs, required for offshore drilling operations across international borders is subject to local import and export laws and regulations. Moreover, many countries control the export/import and re-export of certain goods, services and technology and may impose related export/import recordkeeping and reporting obligations. Governments may also impose economic sanctions and/or embargoes against certain countries, persons and other entities that may restrict or prohibit transactions involving such countries, persons and entities.

These various jurisdictional laws and regulations regarding export/import controls and economic sanctions are complex, constantly changing, may be unclear in some cases and may be subject to

changing interpretations. They may be enacted, amended, enforced or interpreted in a manner that could materially impact the Group's operations. Materials shipments and rig import/export may be delayed and denied for a variety of reasons, some of which are outside the Group's control. Delays or denials could cause unscheduled operational downtime or termination of customer contracts. Any failure to comply with applicable legal and regulatory international trade obligations could also result in criminal and civil penalties and sanctions, such as fines, imprisonment, debarment from government contracts, seizure of shipments and loss of import/export privileges.

2.2.21 Any change in relevant tax laws, regulations, or treaties, and the interpretations thereof, in a country in which the Group operates or earns income or is considered to be a tax resident, may result in an increased effective tax rate on the Group's worldwide earnings, which could have a material impact on earnings and cash flows from operations.

The Group will operate in many countries worldwide. As such, the Group will be subject to changes in applicable tax laws, regulations, or tax treaties, and the interpretation thereof in the various countries in which the Group operates or earn income or are deemed to be a tax resident. Such changes may result in a materially higher effective tax rate on earnings and could result in material changes to the financial results.

2.2.22 The loss of a major tax dispute or a successful challenge to the Group's intercompany pricing policies or operating structures, or the taxable presence of the Group Companies in certain countries could result in a higher effective tax rate on worldwide earnings, which could have a material impact earnings and cash flows from operations.

The Company is a Bermuda tax resident and has and will have subsidiaries in various countries throughout the world. Income taxes are based upon the relevant tax laws, regulations, and treaties that apply to the various countries in which the Group operates or earn income or is deemed to be a tax resident.

The Group's income tax returns are subject to examination and review. If any tax authority successfully challenges the Group's intercompany pricing policies or operating structures, or if any tax authority interprets a treaty in a manner that is adverse to the Group's structure, or if any tax authority successfully challenges the taxable presence of any of the key subsidiaries in a relevant jurisdiction, or if the Group loses a key tax dispute in a jurisdiction, the Group's effective tax rate on its earnings may increase substantially and earnings and cash flow from operations could be materially impacted.

2.3 **Financial risks**

2.3.1 Exchange rate fluctuations may have negative effect on the Company's business, financial conditions and results of operations.

The Company is exposed to different currencies through its operations. Changes in foreign exchange rates, to the extent the Company has not hedged such changes, may have a negative effect on the Company's business, financial condition, results of operations or prospects.

2.3.2 The Group will be exposed to the credit risks of key customers and certain other third parties.

Once the Group enters into contracts for the Rigs, the Group will be subject to risks of loss resulting from the non-payment or non-performance by third parties of their obligations. Although the Group will

monitor and manage counterparty risks, some of the Group's customers and other parties may be highly leveraged and subject to their own operating and regulatory risks. During more challenging market environments, the Group will be subject to an increased risk of customers seeking to repudiate contracts. The ability of the Group's customers to perform their contractual obligations may also be adversely affected by restricted credit markets and economic downturns. Any bankruptcy, insolvency or inability by the Group's customers to settle their debts to the Group when they fall due may adversely affect the Group's business, financial condition, results of operations or prospects.

The Group will also have considerable risk in relation to joint-venture partners and other parties with whom the Group will collaborate, in particular related to the possible non-performance of such parties of their obligation towards the Group.

2.3.3 The Group is exposed to liquidity risk with respect to the dependency upon having access to long-term funding, including debt facilities or equity, in order to be able to fund its operations and capital expenditures.

The Group is dependent upon having access to long-term funding, including debt facilities or equity, to the extent its own cash flow from operations is insufficient to fund its operations and capital expenditures. In turn, the Group must secure and maintain sufficient equity capital to support any such borrowing facilities. The Group's main obligations to Keppel and PPL under the Newbuilding Contracts are described in section 5.10 "The Newbuilding Contracts". The Group is dependent upon loans and / or equity issues to finance the remaining obligations under the Newbuilding Contracts.

While the Group has received offers for such financing, it cannot be guaranteed that it will be available on delivery of each and all of the Newbuildings.

There can be no assurance that the Group will not experience net cash flow shortfalls exceeding the Group's available funding sources. Nor can there be any assurance that the Company will be able to raise new equity, or arrange borrowing facilities, on favourable terms and in amounts necessary to conduct its ongoing and future operations, should this be required. Any additional equity financing may be dilutive to existing shareholders.

2.3.4 The interest rates of future debt facilities may fluctuate significantly and could have a material adverse effect on the Company's business, financial condition and results of operation.

The Group does not currently have any interest bearing debt. However, the Group will, notably on delivery of the Newbuildings, take up loans which will be subject to variable interest rates. Interest rates are influenced by and highly sensitive to many factors, including but not limited to governmental, monetary and tax policies, domestic and international economic and political conditions, and other factors beyond the Company's control. The Company's profitability may be adversely affected during any period of unexpected or rapid increase in interest rates. Changes in interest rates could have a material adverse effect on the Group's business, financial condition and results of operations.

2.3.5 The Company is exposed to changes in tax or VAT laws and regulations and changes in the interpretation and operation of such regulations.

Changes in laws and regulations regarding tax and other duties/charges, including but not limited to VAT, may involve new and changed parameters applicable to the Group and taxation of/charges for the Group at higher levels than as of the date hereof. Tax implications of transactions and dispositions of

the Group are to some extent based on judgment of applicable laws and regulations pertaining to taxes and duties/charges. It cannot be ruled out that the relevant authorities and courts may assess the applicability of taxes and charges to any Group Company differently from the Company itself. An occurrence of one or more of the aforementioned factors may have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

2.4 Risks relating to the Shares

2.4.1 The price of the Shares may fluctuate significantly, and could cause investors to lose a significant part of their investment therein.

The price of the Shares could fluctuate significantly in response to a number of factors beyond the Company's control, including quarterly variations in operating results, adverse business developments, changes in financial estimates and investment recommendations or ratings by securities analysts, announcements by the Company or its competitors of new product and service offerings, significant contracts, acquisitions or strategic relationships, publicity about the Company, its services or its competitors, lawsuits against the Company, unforeseen liabilities, changes in management, changes to the regulatory environment in which it operates or general market conditions.

2.4.2 Future sales or the possibility for future sales of a substantial number of Shares over a short period may affect the price of the Shares negatively.

The price of the Shares could decline as a result of sales of a large number of Shares in the market or the perception that such sale could occur. Such sale, or the possibility that such sales may occur, might also make it more difficult for the Company to issue or sell equity securities in the future at a time and at a price it deems appropriate.

2.4.3 Future issue of shares or other securities may dilute the holdings of shareholders and could materially affect the price of the Share.

It is possible that the Company in the future decides to issue additional Shares or other equity-based securities through directed offerings without guaranties pre-emptive rights for holders of the Shares at the time. Any such additional offering could reduce the proportionate ownership and voting interests of holders of Shares, as well as the Company's earnings per Share and its net asset value per Share.

2.4.4 An owner of a Share will, as beneficial owner only, not be able to directly exercise his shareholder rights.

The Shares, as traded on the Oslo Børs, reflect the beneficial ownership thereof only. Nominal ownership of all of the Shares is held by DNB and reflected in the Company's primary register of members (shareholders) kept in its head office in Bermuda.

A shareholder, who wishes to exercise any of his shareholder rights, must therefore do so by instructing DNB to act on his behalf in the Company's general meeting.

2.4.5 Investors' rights and responsibilities as shareholders will be governed by Bermuda law which differs in some respects, from the rights and responsibilities of shareholders under other jurisdictions, including Norway and the United States, and the rights of the Company's shareholders under Bermuda law may not be as clearly established as shareholder rights are under the laws of other jurisdictions.

The Group's corporate affairs are governed by the memorandum of association (the **"Memorandum of Association"**) and its bye-laws (the **"Bye-laws"**). The rights of the Company's shareholders and the responsibilities of the members of the Company`s board of directors (the **"Board"**) under Bermuda law may not be as clearly established as under the laws of other jurisdictions. In addition, the rights of shareholders as they relate to, for example, the exercise of shareholder rights, are governed by Bermuda law and the Bye-laws could differ from the rights of shareholders under other jurisdictions, including Norway and the United States. The holders of the Shares may have more difficulty in protecting their interests in the face of actions by the Board than if it were incorporated in the United States, Norway or another jurisdiction.

2.4.6 Because the Group is incorporated under the laws of Bermuda, shareholders may face difficulty protecting their interests, and their ability to protect their rights through courts outside Bermuda, including the courts of United States and Norway, may be limited.

The Group is incorporated under the laws of Bermuda. The Group's assets will be located in a number of other jurisdictions. As a result, it may be difficult for investors to effect service of process within certain jurisdictions, including the United States and Norway, in a way that will permit a court in such country to have jurisdiction over the Group.

2.4.7 Transfers of the Shares are subject to restrictions under the securities laws of the United States and other jurisdictions.

The Shares have not been registered under the United States Securities Act of 1933, as amended (the "**US Securities Act**") or any U.S. state securities laws or in any other jurisdiction outside of Norway and are not expected to be registered is such jurisdiction in the near future. As such, the Shares may not be offered or sold by investors subject to the US Securities Act except pursuant to an exemption from the registration requirements of the US Securities Act. In addition, there can be no assurances that shareholders residing or domiciled in the United States will be able to participate in future capital increases or rights offerings.

2.4.8 Shareholders outside of Norway are subject to exchange rate risk.

The Shares will, when traded on the Oslo Børs, be priced in NOK. Accordingly, investors outside Norway may be subject to adverse movements in the price of NOK against their local currency, as the foreign currency equivalent of the price received in connection with any sale of the Shares on Oslo Børs could be materially adversely affected.

3. STATEMENT OF RESPONSIBILITY

This Prospectus has been prepared to provide information in connection with the listing of the New Shares on the Oslo Børs, as described herein.

The Board accepts responsibility for the information contained in this Prospectus and hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omissions likely to affect its import.

19 October 2017

The Board of Borr Drilling Limited

Tor Olav Trøim
Chairman

Jan A. Rask
Director

Fredrik Halvorsen
Director

4. PRESENTATION OF INFORMATION

4.1 Presentation of financial information

Both the Company's audited consolidated financial statements for the period from its incorporation on 8 August 2016 to 31 December 2016 (the "**Annual Financial Statements**") and the Company's unaudited consolidated financial statements as of and for the six months ending on 30 June 2017 (the "**Q2 2017 Financial Statements**") have been prepared in accordance with the generally accepted accounting principles in the United States of America ("**US GAAP**"). The Annual Financial Statements have been audited by PricewaterhouseCoopers AS ("**PwC**") and their report is included therein. The Annual Financial Statements and the Q2 2017 Financial Statements (the "**Financial Statements**") are incorporated by reference in this Prospectus.

4.2 Roundings

Percentages and certain amounts used in the following have been rounded for ease of presentation. Accordingly, figures shown as totals in certain tables may not be the precise sum of the figures that precede them.

4.3 Third party information

Certain sections of reproduced information are sourced from third parties.

In such cases, the source of the information is identified. Such third party information has been accurately reproduced. As far as the Company is aware and is able to ascertain from information published by that relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

4.4 Forward looking statements

This Prospectus contains forward-looking statements ("**Forward Looking Statements**") that reflect the Company's current views with respect to future events and financial and operational performance. Forward Looking Statements include all statements that are not historical facts, and can be identified by words such as (what follows are examples without excluding words having the same meaning): "anticipates", "believes", "expects", "intends", "may", "projects", "should", or the negatives of these terms or similar expressions. These statements appear in a number of places in this Prospectus, in particular in sections 6 "The October Private Placement", 7 "Market and industry overview" and section 9 "Operating and financial Information" and include statements regarding the Group's management's intent, beliefs or current expectations with respect to, among other things:

- strategies for the Group;
- global and regional economic conditions;
- rate levels, costs, including but not limited to stacking costs, and margins;
- competition and actions by competitors and others affecting the global or regional market for offshore drilling services;
- the Group's expected reactivation costs for those of the Rigs that are stacked, day rates required for breakeven and costs related to the stacking of Rigs;
- fluctuations in foreign exchange rates, interest rates, earnings, cash flows, dividends and other expected financial results and conditions;
- cash requirements and use of available cash;
- financing plans;
- anticipated capital spending;

- growth opportunities;
- development, production, commercialization and acceptance of new services and technologies;
- environmental and other regulatory matters; and
- legal proceedings.

No Forward Looking Statement contained in herein should be relied upon as predictions of future events. No assurance can be given that the expectations expressed in these Forward Looking Statements will prove to be correct. Actual results could differ materially from expectations expressed in the Forward Looking Statements if one or more of the underlying assumptions or expectations proves to be inaccurate or is unrealised.

5. PRESENTATION OF BORR DRILLING LIMITED

5.1 Overview

Borr Drilling Limited (the "**Company**") was incorporated in Bermuda on 8 August 2016 as a limited liability company under the name "Magni Drilling Limited". The Company is registered in the Bermuda Register of Companies with registration number 51741. On 13 December 2016, the Company changed its name to Borr Drilling Limited. The Company's commercial name is Borr Drilling. The Company has issued 478,292,500 Shares of USD 0.01 par value. 315,792,500 Existing Shares are listed on the Oslo Stock Exchange (the "**Oslo Børs**") with ticker "BDRILL" under ISIN BMG 575071086.

The Company's registered office is at:

Thistle House
4 Burnaby Street
Hamilton HM11
Bermuda
Website: www.borrdrilling.com

The Group's principal places of business are:

Borr Drilling Management AS	Borr Drilling Management DMCC
Klingenberggata 4	28th Floor, Reef Tower
	Cluster O, Jumeriah Lake Towers
0160 Oslo	Dubai
Norway	United Arab Emirates
Tel.: +47 22 48 30 00	Tel.: + 971 4 448 7501

The Company's constitutional documents are its Memorandum of Association and its Bye-laws which is attached as Appendix a.

The Company is subject to Bermuda law in general and the Companies Act 1981 of Bermuda (the "**Bermuda Companies Act**") in particular.

5.2 Principal activities

The Company's business comprises the ownership of jack-up drilling rigs which provide drilling services to the oil and gas industry. The Company's services are focused on the shallow water segment, i.e. drilling in water depths up to approximately 200 metres.

The Company made its first investment on 2 December 2016 by agreeing to buy two premium jack-up drilling rigs (the "**Hercules Rigs**") from Hercules British Offshore Limited ("**Hercules**"). The transaction was completed on 23 January 2017 (the "**Hercules Transaction**"). The Hercules Rigs were acquired at a total price of USD 130 million, representing USD 65 million per Rig and named "Frigg" and "Ran". For further information on the Hercules Transaction see section 9.8.1 "Historical investments".

The Company made its second investment through a transaction with Transocean Inc. ("**Transocean**") which completed on 31 May 2017 (the "**Transocean Transaction**"). On completion, the Company added ten jack-up drilling rigs to its fleet, three of which, at the time, were employed on bareboat charterparties (the "**Transocean Bareboat Charterparties**") to a subsidiary of Transocean (the "**Transocean Charterer**"). Two of these Rigs remain employed under their Transocean Bareboat

Charterparty as of the date hereof and are used by the Transocean Charterer under drilling contracts with an oil major for operations in Thailand.

Further, the Company acquired the rights and obligations under five construction contracts for new jack-up drilling rigs (the "**Keppel Newbuildings**") with Keppel FELS Limited ("**Keppel**"). The terms of these contracts (the "**Keppel Newbuilding Contracts**") were subsequently amended through an agreement with Keppel (the "**Keppel Transaction**"). The total value of the Transocean Transaction and the Keppel Transaction was approximately USD 1.35 billion. For further information about the Transocean Transaction and the Keppel Transaction (the "**May Transactions**") see section 9.8.1 "Historical investments".

On 6 October 2017 the Company and PPL Shipyard Pte Limited (**"PPL"**) entered into a master agreement to which agreed forms of sale and purchase agreements (the "**PPL SPA**") and newbuilding contracts (the "**PPL Newbuilding Contracts**") for the acquisition of nine premium "Pacific Class 400" jack-up drilling rigs (the "**PPL Rigs**") were attached. Six of the PPL Rigs are completed (the "**Completed PPL Rigs**") while three PPL Rigs are under construction (the "**PPL Newbuildings**"). The PPL Rigs are all of the Pacific Class 400 design. The Company has one existing rig of the same design. The consideration in the transaction with PPL (the "**PPL Transaction**") is approximately USD 1.3 billion, implying an average cost per rig of approximately USD 139.5 million. This represents a historically low price for premium jack-up drilling rig newbuildings and is below the project cost for rigs of similar specification recorded over the past decade. It also represents a discount on the current newbuilding price for jack-up drilling rigs with similar specifications.

The Company and its subsidiaries (the "**Group**") will take delivery of the first of the PPL Rigs in fourth quarter 2017 with the remaining PPL Rigs being delivered in first quarter 2018 (two), second quarter 2018 (two), third quarter 2018 (two), fourth quarter 2018 (one) and first quarter 2019 (one). The Company has agreed to pay an immediate instalment of USD 55.8 million per PPL Rig, approximately USD 502 million in total which will be financed with proceeds from the October Private Placement. The remaining purchase price per PPL Rig of approximately USD 83.7 million is payable at delivery of each PPL Rig (and can be financed through the offered delivery financing).

For further information about the PPL Transaction see section 9.8.2.3 "The PPL Rig Transaction".

The Group is, as of the date of this Prospectus, the owner of 8 premium (delivered in 2001 and after) jack-up drilling rigs and 4 standard jack-up drilling rigs (built before 2000). Further, the Group will take delivery of 6 premium rigs from PPL during the next 6 quarters. Further, the Group has 5 premium jack-up drilling rigs on order from Keppel with delivery dates from the first quarter 2018 to the fourth quarter 2020 and 3 premium jack-up drilling rigs on order from PPL with delivery dates from the third quarter 2018 to the first quarter in 2019. The PPL Transaction will, once all the PPL Rigs are delivered, grow the Fleet to a total of 26 Rigs (Newbuildings included). For further information about the Fleet and the Newbuilding Contracts see section 5.6 "The Fleet" and section 5.10 "The Newbuilding Contracts".

The acquisition of the PPL Rigs establishes the Company as the number one listed owner of premium jack-up drilling rigs in the world, cfr. Figure 7.6 in section 7 «Market and industry overview».

5.3 History and development

The Company was incorporated by Taran Holdings Limited ("**Taran**") on 8 August 2016.

The list below sets out the key events in the history of the Company to date:

- 8 August 2016: The Company was incorporated under the name of Magni Drilling Limited.
- 2 December 2016: The Company signed a purchase agreement for the acquisition of the Hercules Rigs with Hercules.
- 9 December 2016: The Company completed a private placement of 77.5 million Shares at a subscription price of USD 2, raising USD 155 million in gross proceeds (the "**December Private Placement**") and issued 7,750,000 Warrants to Magni Partners (Bermuda) Ltd ("**Magni Partners**") and 1,937,500 Warrants to Ubon Partners AS (**"Ubon"**).
- 13 December 2016: The Company was renamed Borr Drilling Limited.
- 19 December 2016: The Shares were introduced on the Norwegian OTC market.
- 23 January 2017: The Hercules Rigs were delivered.
- 15 March 2017: The Company signed a letter of intent with Transocean for the purchase of the Transocean Rigs together with related spare parts and inventory related thereto and 5 contracts, each for the construction of one newbuilding at Keppel.
- 15 March 2017: The Company signed a heads of agreement with Keppel for the novation of the Keppel Newbuilding Contracts acquired from Transocean and various subsequent amendments of the price, payment terms and delivery dates set forth therein.
- 20 March 2017: Magni Partners exercised 4,650,000 of their Warrants and Ubon exercised 1,162,500 of their Warrants at a subscription price of USD 0.01 per Warrant.
- 21 March 2017: The Company completed a private placement of 228,600,000 Shares at a subscription price of USD 3.50 per share raising gross proceeds of approximately USD 800 million (the **"March Private Placement"**).
- 21 March 2017: The Company issued 4,736,887 Warrants with a subscription price of USD 3.50 plus 4% p.a. per Share to Schlumberger Oilfield Holdings Limited ("**Schlumberger**").
- 23 March 2017: Magni Partners exercised their remaining 3,100,000 Warrants and Ubon exercised their remaining 775,000 Warrants at a subscription price of USD 0.01 per Warrant.
- 26 March 2017: The Company entered into an agreement in principle with Schlumberger regarding a combination of services to potential customers.
- 23 May 2017: The Company signed final agreements with Transocean for the Transocean Transaction.

- 24 May 2017: The Company signed the novation agreements and the amendments agreements with Keppel for the Keppel Transaction.

- 31 May 2017: The Company closed the May Transactions.

- 12 June 2017: USD 275 million in pre-delivery instalments were paid to Keppel pursuant to the Keppel Newbuilding Contracts.

- 14 June 2017: Total E&P Nigeria Limited ("**Total Nigeria**") issues a conditional letter of commitment to the Company and Valiant Energy Services West Africa Limited ("**Valiant**") for a drilling contract (the "**Total LoC**").

- 22 June 2017: The Company signs a memorandum of agreement for cooperation in relation to the drilling contract specified in the Total LoC with Valiant (the "**Valiant MoA**").

- June to August 2017: The Company entered into forward contracts to purchase 7,800,000 shares in Atwood Oceanics Inc. (**"Atwood"**) for approximately USD 58 million with settlement in fourth quarter 2017.

- July 2017: The Company bought 2,470,000 Shares at a price of NOK 27.50 per Share. These Shares are held in treasury.

- 1 August 2017: Simon William Johnson joins as the chief executive officer ("**CEO**") and Rune Magnus Lundetræ becomes Deputy CEO and chief financial officer of the Group ("**CFO**").

- 1 August 2017: The Company transferred 500,000 of the Shares held in treasury to Simon William Johnson as part of his remuneration package. These Shares are restricted.

- During May – August 2017: The Company purchased securities issued by a rig company for approximately USD 27 million.

- 12 September 2017: The Company signed a letter of intent with BW Energy Dussafu B.V. ("**BWE**") for a drilling contract offshore Gabon for "Norve".

- 6 October 2017: Borr Drilling and Schlumberger signed a definite collaboration agreement to offer integrated, performance-based drilling contracts in the offshore jack-up market by leveraging the Schlumberger global foot print, infrastructure and technical expertise and Borr Drilling's modern jack-up fleet.

- 6 October 2017: The Company granted 4,736,887 Warrants with a subscription price of USD 3.50 plus 4% p.a. to Schlumberger.

- 6 October 2017: The Company agreed to purchase all Warrants held by Schlumberger at a price of USD 0.50 per Warrant, i.e. USD 4.7 million in total. Consequently, all outstanding Warrants were cancelled.

- 6 October 2017: The Company signed a master agreement for the acquisition of the PPL Rigs.

- 9 October 2017: The Company completed a private placement of 162,500,000 new shares at a subscription price of USD 4.00 per share raising gross proceeds of USD 650 million (the **"October Private Placement"**).

- 11 October 2017: The New Shares were listed on Merkur Market on a separate ISIN.

- 18 October 2017: The Company signed the collaboration agreement with Valiant and the equity transfer documents with Valiant Offshore Contractors Limited (**"VOCL"**).

5.4 Strategy

The Company's strategy is to acquire and operate premium jack-up drilling rigs in advance of an expected recovery in the offshore drilling market and, on this basis, establish itself as the preferred provider of drilling services in the shallow water segment of the global offshore drilling market.

Acquire premium assets at attractive levels
The Company has acquired the Rigs at a discount to their newbuilding costs. The average purchase price is approximately 50% of the historical construction cost of comparable rigs. The Newbuildings will be acquired at a price of approximately 65% of their cost when ordered.

The Company intends to continue its strategy of acquiring premium jack-up drilling rigs at attractive prices. Focus will be on premium jack-up drilling rigs with proven design, enhanced capabilities and best-in-class equipment, so as to secure efficient and reliable operations. The shallow water segment will be the Company's focus as demand is expected to recover sooner here than in the mid- and deep water segments.

Establish low cost operations
The Company aims to have the lowest all-in cash break-even cost in the jack-up drilling rig industry while obtaining customer and peer acceptance as a high quality contractor. The Company expects to have an advantage not only on operating expenditure costs, but also on financing costs due to lower debt levels than its industry peers.

Position as preferred operator
The Group continues to hire employees with long track-record in the industry and extensive networks among potential key customers. Based on a premium fleet, an experienced team and a solid industry network, the Company believes that the Group will be able to secure a highly competitive position as provider of offshore drilling services in the shallow water segment worldwide.

Actively manage the fleet for maximum value
The Company´s ambition is to maintain all of the Rigs in top condition. Reactivation of those of the Rigs that are currently stacked will be made for select contract opportunities. However, a stacked Rig will only be reactivated if the achievable day rate supports its reactivation costs. Current day rates of USD 60-70k/day is, in the Company's view, sufficient to cover reactivation cost of a stacked Rig within one year. Once the market recovers, the Company will actively manage its Rigs through a mix of its own operations and sale of assets. The Company will also seek to take part in further consolidations of the jack-up drilling rig industry.

Maintain a solid balance sheet
The Company intends to maintain a strong balance sheet securing low cash cost and financing risk and flexibility for acquisitions. The Company's balance sheet is currently among the strongest in the

industry. In the future, the Company will selectively consider adding leverage against contract backlog. The Company will also aim to distribute excess cash flow to shareholders once this is possible.

5.5 **Business plan**

Premium fleet of Rigs
The Fleet consists of both premium and standard jack-up drilling rigs. The Rigs will be capable of operating in all key jack-up drilling rig environments. Further, the similarities in design of the Rigs will allow crews to serve interchangeably among the Rigs. Additionally, the similarity in technical specifications and equipment makes spare parts interchangeable amongst the Rigs. This will reduce the capital requirements associated with keeping spare parts in stock and lower maintenance and supply chain costs.

Management, administrative, commercial and technical management services
The senior management team responsible for the management of the Group has extensive experience in the oil and gas industry in general and in the offshore drilling area in particular. In addition, the Company's senior management team has, over time, shown a strong ability to attract and retain competent personnel. The Company believes that the senior management team's background , technical expertise and strong relationships with potential customers, together with its ongoing recruiting efforts, will enable it to deliver superior service to customers and to operate effectively on a global basis going forward.

In order to build the Group´s position as a preferred contractor, the Company aims to provide best-in-class operations. The Company further intends to adhere to the highest corporate governance standards.

The Company is building an organization which will be capable of providing such administrative, commercial and technical management services as the Group shall require. The Company has incorporated a number of subsidiaries for the purpose of organising the management functions within the Group, see section 5.12 "Management structure" below.

The Company will work with third-party crewing companies to staff its Rigs that are under contract. The Company will select the employees which are formally employed by the third-party crewing company and enter into written agreements with the third-party crewing companies for the crew services.

*Quality, Health, Safety and Environment (**"QHSE"**)*
The Company is focused on developing a strong QHSE culture and performance. After the Macondo incident, there has been an increased focus in QHSE issues by regulators. As a result, E&P Companies have imposed increasingly stringent QHSE rules on their contractors, especially when working on challenging wells and operations where the QHSE risks are higher.

Contracting
The Company intends to build a balanced portfolio of employment contracts for its Fleet, including, inter alia, spot/day rate, time charter and turnkey contracts. This will be based on diversity of customers, and a mix of medium- and long-term contracts across all key jack-up drilling rig markets. Further again, the Company intends to focus on building strong, long-term relationships with a diverse range of E&P Companies. The transformative collaboration between the Group and Schlumberger will allow the Group to compete for contracts with a new service model which the Company believes will be received favourably by most E&P Companies.

Integrated drilling service

An integrated drilling service is a concept in which all services and equipment (and even in some cases material procurement) is integrated in one contract. The model should be technically and economically feasible and thus attractive for most E&P Companies operating offshore, as it, potentially, could reduce the number of contracts required for a project from above ten to two or three. This indicates a significant cost saving potential. As a result, project management will become simpler, cheaper and more efficient. Further, this could lead to improved well design, better selection of rig equipment and technology and more efficient use of the same.

The collaboration between the Company and Schlumberger will provide a service which no other provider in the international offshore drilling industry is capable of due to the unique combination of services, technology, equipment and rigs the parties will have. By leveraging the technical expertise and engineering capabilities of the two companies, the collaboration will accelerate commercialization of an integrated shallow water drilling service. An integrated service is likely to provide enhanced value to E&P Companies operating offshore through improved operational performance, more accurate wellbore placement and lower drilling costs. All of this is essential to efficient and cost-effective offshore oil and gas operations. The collaboration with Schlumberger is thus expected to bring significant value to the Group.

See also section 5.8 “Geographical focus” and section 5.9 “Stacking and reactivation of Rigs”.

5.6 **The Fleet**

The Fleet consists, as of the date hereof, of the following Rigs details of which are set out in the table below.

Rig name	Status	Design	Yard	Delivered	Estimated build cost (USDm)	Water depth (ft)	Drilling depth (ft)	Location
Ran	Stacked	KFELS Super A	Keppel Fels, Singapore	2013	280 – 290	400	35,000	Holland
Frigg	Stacked	KFELS Super A	Keppel Fels, Singapore	2013	280 – 290	400	35,000	Cameroon
Idun	Stacked	Super "B" Bigfoot Class	Keppel Fels, Singapore	2013	242	350	35,000	Thailand
Mist	Working	Super "B" Bigfoot Class	Keppel Fels, Singapore	2013	242	350	35,000	Thailand
Odin	Working	Super "B" Bigfoot Class	Keppel Fels, Singapore	2013	236	350	35,000	Thailand
Norve	Stacked	PPL Pacific Class 400	PPL Shipyard, Singapore	2011	262	400	30,000	Cameroon
Atla	Stacked	F&G JU 2000	PPL Shipyard, Singapore	2003	125	400	30,000	UAE
Balder	Stacked	F&G JU 2000 (modified)	PPL Shipyard, Singapore	2003	125	400	30,000	Cameroon
Baug	Stacked	F&G L-780 Mod Vl	Far East Levingston, Singapore	1991	100	395	30,000	UK
Brage	Stacked	F&G L-780 Mod Vl	Far East Levingston, Singapore	1998	159	395	30,000	UK
Eir	Stacked	F&G L-780 Mod VI Univers	Far East Levingston, Singapore	1999	179	395	30,000	UK
Fonn	Stacked	F&G L-780 Mod Vl	Far East Levingston, Singapore	1986	62	360	30,000	UK

"Odin" and "Mist" are operating under the Transocean Bareboat Charterparties in Thailand.

"Frigg" and "Norve" are in the process of being mobilised for employment under the drilling contracts with Total Nigeria and BWE.

5.7 Employment

Two of the Rigs ("Odin" and "Mist") are on charter to Transocean Eastern Pty. Ltd., a wholly owned subsidiary of Transocean (the "**Transocean Charterer**"), on the terms of two bareboat charterparties (the "**Transocean Bareboat Charters**"). These two Rigs (the "**Thailand Rigs**") are employed by the Transocean Charterer under drilling contracts with an oil major for operations in Thailand. The revenue under the Transocean Bareboat Charters (after operating expenditure) are transferred to Transocean as part of the consideration for the Transocean Transaction. The Transocean Bareboat Charters expire as follows:

"Odin" - Q2 2018

"Mist" - Q4 2018

On 14 June 2017, Total Nigeria issued the Total LoC setting forth the terms upon which Total Nigeria would charter "Frigg" for a fixed period of 12 months and an optional period of 12 months thereafter for use in Nigeria.

On 22 June 2017, the Company executed the Valiant MoA setting forth the main principles pursuant to which the Company and Valiant shall collaborate to perform the drilling contract for the Company's jack-up drilling rig "Frigg" with Total Nigeria in Nigeria (the "**Total Drilling Contract**").

The Total Drilling Contract will be concluded by Total Nigeria, Valiant and Borr International Operations I Inc. (a newly incorporated subsidiary of the Company) ("**Borr Operator**") that will charter in "Frigg" from its owner, Borr Jack-Up I Inc., on bareboat terms. Borr Operator will, under the Total Drilling Contract, provide the use of "Frigg" and some senior services to Total Nigeria, while Valiant will provide local operational content. The requirement of local equity participation in the rig operating in Nigeria will, in line with approval from the Nigeria Content Development Monitoring Board ("**NCDMB**"), be satisfied by way of the acquisition by a Valiant affiliated company (VOCL) of shares in Borr Jack-up XVI Inc., the owner of "Eir". "Eir" is currently stacked in the UK.

VOCL will, on signing of the Total Drilling Contract, acquire 10% of the shares in Borr Jack-Up XVI Inc. at a purchase price of USD 2 million. This will be financed by a seller's credit, repayable over 2 years. VOCL will, furthermore, subject to the seller's credit having been repaid and the Total Drilling Contract having been extended, acquire another 40% of the shares at a price of USD 8 million.

The full collaboration agreement between the Company and Valiant and the equity documents between the Company and VOCL are signed and the Total Drilling Contract is ready for signature. Assuming that the NCMD approves, Total Nigeria, Borr Operator and Valiant will sign the Total Drilling Contract and conditions precedents will be satisfied, including arrangements for the import of "Frigg to Nigeria". The Company will, as one of the condition precedents, execute a parent guarantee in favour of Total Nigeria for the obligations of Borr Operator under the Total Drilling Contract.

Subject to the Total Drilling Contract being signed and conditions precedent satisfied, drilling operations for "Frigg" are expected to commence in the fourth quarter of 2017.

On 12 September 2017, the Company signed a letter of intent with BWE, a subsidiary of BW Offshore Limited, for a drilling contract offshore Gabon. The Company has nominated Borr Jack-Up XIV Inc. (owner of the drilling rig "Norve") ("**Borr XIV**") acting through a branch to be established in Gabon to enter into the contract with BWE. The program has an estimated duration of 140 – 160 days and is scheduled to commence in January 2018. "Norve" is expected to mobilise from Limbe, Cameroon, in January 2018 to its first drilling location offshore Gabon.

The Company is required to guarantee the performance by Borr Jack-Up XIV on terms that its liability for direct loss does not exceed that of Borr XIV, being USD 1,000,000.

5.8 Geographical focus

The Company is bidding for contracts globally. However, the Company's current geographical focus is on the Middle East, South East Asia, North Sea and West Africa regions. This is based on the Company's current assessment of potential contracting opportunities, including, pre-tender and tender activity. Several countries within these regions, such as Nigeria, have laws that regulate operations and/or ownership of rigs operating within their jurisdiction, including local content and/ or local partner requirements. In order to comply with these regulations, and successfully secure contracts to operate in these regions, the Company has employed personnel with long experience from securing contracts and operation rigs in countries within these regions. Adapting to above mentioned factors is, and will be, part of the Company's ordinary course of business.

5.9 Stacking and reactivation of Rigs

Ten of the Rigs are currently stacked. However, two of these will shortly be mobilised for the drilling contract for Total Nigeria ("Frigg") and BWE ("Norve"). The Company believes that well planned and well managed stacking will reduce reactivation cost and the cost of mobilization of a Rig towards a contract significantly. The Company is therefore focusing on securing cost efficiencies during stacking while limiting future risk exposure upon reactivation. This means concentrating stacked Rigs in as few locations as possible to be able to share crew, running reduced but sufficient maintenance programs on equipment and preserving critical equipment. The Company's approach to stacking is sequential and the following steps provide an overview of the process:

- Stacking preparation – mooring, intake survey/inspection, dehumidification, monitoring equipment and closing the accommodation module;
- Follow-up – labour (rotators), generators, fuel, remote monitoring, insurance, class – COC compliance, local permits;
- Reactivation – repairs, testing and replacing equipment, open accommodation module, survey/inspections, securing approvals/certificates;
- Special period survey – taken as part of the reactivation and/or during stacking; and
- New investments/required upgrades – secure marketable condition/right grade on equipment.

The Company's current all-in stacking cost (excluding overhead) per Rig is approximately USD 3,500 per day on average. The estimated average reactivation cost will be around USD 5 – 7 million per Rig, depending on the status of the Rig at the time of reactivation and any new investments required to maintain and improve the Rigs' condition and class status.

5.10 **The Newbuilding Contracts**

5.10.1 The Keppel Newbuilding Contracts

The Company's Marshall Islands subsidiaries (Borr Jack-Up III Inc., Borr Jack-Up IV Inc., Borr Jack-Up V Inc., Borr Jack-Up VI Inc. and Borr Jack-Up VII Inc.) are each a party to a Newbuilding Contract with Keppel for the construction of one Super B 400 Bigfoot Class jack-up drilling rig. These Newbuildings are under construction at Keppel's yard in Singapore and have the following main characteristics:

Newbuilding	Design	Water depth (ft)	Drilling depth (ft)	Remaining delivery instalment (USD million)	Delivery time
Hull B364 tbn "Saga"	KFELS Super B	400	35,000	72.4	Q1 2018
Hull B365 tbn "Skald"	KFELS Super B	400	35,000	72.4	Q2 2018
Hull B366 tbn "Tivar"	KFELS Super B	400	35,000	147.4	Q2 2019
Hull B367 tbn "Vale"	KFELS Super B	400	35,000	147.4	Q4 2020
Hull B368 tbn "Var"	KFELS Super B	400	35,000	147.4	Q4 2020

For further information about the Newbuilding Contracts with Keppel see section 9.8.2.1 "The Keppel Newbuilding Contracts".

5.10.2 The Completed PPL Rigs

The Company's Marshall Islands subsidiaries Borr Jack-Up XVII Inc., Borr Jack-Up XVIII Inc., Borr Jack-Up XIX Inc., Borr Jack-Up XX Inc., Borr Jack-Up XXI Inc. and Borr Jack-Up XXII Inc. are each party to a PPL SPA and will, pursuant to the terms thereof, take delivery of a Completed PPL Rig.

The characteristics of these are as follows:

Newbuilding	Design	Water depth (ft)	Drilling depth (ft)	First instalment (USD million)	Delivery instalment (USD million)	Delivery time
Hull P2041	Pacific Class® 400	400	30,000	55.8	83.7	Q4 2017
Hull P2043	Pacific Class® 400	400	30,000	55.8	83.7	Q1 2018
Hull P2045	Pacific Class® 400	400	30,000	55.8	83.7	Q1 2018
Hull P2046	Pacific Class® 400	400	30,000	55.8	83.7	Q2 2018
Hull P2053	Pacific Class® 400	400	30,000	55.8	83.7	Q2 2018
Hull P2049	Pacific Class® 400	400	30,000	55.8	83.7	Q3 2018

For further information about the Completed PPL Rigs see section 9.8.2.3 "The PPL Rig Transaction".

5.10.3 The PPL Newbuilding Contracts

The Company's Marshall Islands subsidiaries (Borr Drilling XXIII Inc., Borr Drilling XXIV Inc. and Borr Drilling XXV Inc.) are each a party to a PPL Newbuilding Contract. The PPL Newbuildings are under construction at PPL's yard in Singapore and have the following characteristics:

Newbuilding	Design	Water depth (ft)	Drilling depth (ft)	First instalment (USD million)	Delivery instalment (USD million)	Delivery time
Hull P2047	Pacific Class® 400	400	30,000	55.8	83.7	Q3 2018
Hull P2048	Pacific Class® 400	400	30,000	55.8	83.7	Q4 2018
Hull P2052	Pacific Class® 400	400	30,000	55.8	83.7	Q1 2019

For further information about the PPL Newbuilding Contracts see section 9.8.2.3 "The PPL Rig Transaction".

5.11 Competitive position

The Fleet is among the younger in the industry. Figure 6.6 in section 6 "Market and industry overview" below illustrates that the Group, when all the PPL Rigs and the Keppel Newbuildings have been delivered, will have the largest fleet of Premium jack-up drilling rigs globally.

5.12 Management structure

The Company's proprietary management organisation provides such administrative, financial, commercial and technical services as the Group requires to successfully manage its assets. This organisation is organised in separate management companies incorporated in the jurisdictions where the relevant personnel is located. The main location will be Dubai, UAE. The reason for this is its central geographical location in relation to the markets in Africa and South East Asia, an attractive regulatory environment and excellent communication connections.

The hub in Dubai is supplemented by a small organisation in Norway. Whenever one of the Rigs obtains an employment contract, a local administrative organisation will be established in the relevant jurisdiction.

The Company has, in order to implement the above-referred principles, incorporated three management companies, being:

- Borr Drilling Management DMCC in Dubai, UAE ("**Borr Drilling Management Dubai**")
- Borr Drilling Management AS in Oslo, Norway ("**Borr Drilling Management Oslo**")
- Borr Drilling Management UK Ltd. In London, United Kingdom

Each of these companies has concluded a written management agreement with the Company setting forth the terms and conditions pursuant to which it will provide management services to the Company and the Group.

The Board has furthermore designated individual employees in the management companies as senior executives in the Company and the Group. This designation is functional and does not create any employment relationship between the designated employee and the Company. Such relationship remains between the said employee and the management company in which he/she is formally employed.

The Company pays each management company an annual fee for the services provided by it to the Group which equals its cost base plus a margin required to comply with relevant transfer pricing rules.

The senior management positions at Group level to which individuals have been designated are:

- CEO
- CFO
- Chief Operating Officer ("**COO**")

While many key positions in the Group's administrative team have been filled, the process of building the complete organisation continues. It is expected that all main positions will have been filled and that the individuals recruited for them will have commenced work for the Group by the end of the current year.

As of the date hereof, Borr Drilling Management Dubai has 29 full time employees and has, in addition, engaged 4 full time consultants. Borr Drilling Management Oslo has 4 full time employees and has engaged 3 full time consultants. In addition, the Company has 10 consultants in Singapore.

The Company has, in order to cover its administrative needs in the initial phase of its development, relied on third party providers of administrative services. Such providers have been a mix of individuals and organisations. All of these have provided and are providing their services on market terms. It is expected that the Group's reliance on third party providers will be gradually reduced over the second half of the current year. Currently the key third party providers engaged by the Company are:

(i) Quorum Ltd., a Bermuda based provider of corporate secretary services which has been engaged to act as company secretary for the Company and to follow up on its reporting and other obligations to Bermuda authorities. The terms of this engagement are set out in an engagement letter with the Company, and

(ii) Advokatfirmaet Wiersholm AS, a Norwegian law firm, which is engaged as the Group's legal advisor providing Norwegian legal advice and co-ordinating such ad hoc legal advisors as the Group engage in other jurisdictions.

As explained in section 5.5 "Business plan", Borr Drilling will work with third-party crewing companies to staff those of its Rigs that, from time to time, are under contract. Related to the new contract with Total Nigeria, 82 crew has been selected by Borr Operator and employed by a third-party crewing company that will work on "Frigg" during the duration of the contract with Total Nigeria. Related to the new contract with BWE, 92 crew has been selected by Borr Drilling of which 32 will be employed by Borr

Drilling and 60 will be employed by a third-party crewing company to work on the Rig “Norve” during the contract period. .

5.13 Material contracts outside the ordinary course of the Group’s business

Other than the agreement entered into with Hercules on 2 December 2017, the agreements entered into with Transocean on 23 May 2017, the agreements entered into with Keppel on 24 May 2017 and the agreement entered into with PPL on 6 October 2017, no Group Company has entered into any material contract outside the ordinary course of the Group’s business since its incorporation. These agreements are described in section 5.2 “Principal activities, section 5.10 “The Newbuilding Contracts” and section 9.8 "Investments".

5.14 Dependency on contracts, patents and licences etc.

The Company is of the opinion that neither the Company’s existing business nor its profitability is dependent on any singular contract, patent or license.

5.15 Property, plants and equipment

As of 30 June 2017, the Rigs had a book value of USD 682 million and the Newbuildings had a book value of USD 123 million. As of the same date the Company had other property, plant and equipment with book value of USD 250,000. The Company rents its property. For more information related to the Fleet and the Newbuilding Contracts, see sections 0 “The Fleet” and 0 “The Newbuilding Contracts”.

5.16 Environmental regulations

The Group’s operations will be subject to federal, state and local laws and regulations of the jurisdictions in which it, from time to time, operates. These will, typically, relate to the energy industry in general and the environment in particular. Environmental laws have in recent years become more stringent and have generally sought to impose greater liability on an increasing number of potentially responsible parties.

The Group’s operations are subject to numerous stringent HSE laws and regulations in the form of international conventions and treaties and national, state and local laws and regulations in force in the jurisdictions in which the Group will operate or a Rig is located. These can significantly affect the operation of the Group. These requirements include, but are not limited to, the International Convention for the Prevention of Pollution from Ships (MARPOL), the International Convention on Civil Liability for Oil Pollution Damage of 1969, the International Convention on Civil Liability for Bunker Oil Pollution Damage and other international, national and local laws and regulations that impose compliance obligations and liability related to the use, storage, treatment, disposal and release of petroleum products, asbestos, polychlorinated biphenyls and other hazardous substances that may be present at, or released or emitted from, the Group’s operations. Furthermore, IMO, at the international level, or national or regional legislatures in the jurisdictions in which the Group operates, including the European Union, may pass or promulgate new climate change laws or regulations. Compliance with such laws, regulations and standards, where applicable, may require installation of costly equipment or operational changes and may affect the resale value or useful lifetime of the Group’s rigs. The Group is required to obtain HSE permits from governmental authorities for the Group’s operations.

A failure to comply with applicable laws and regulations may result in administrative and civil penalties, criminal sanctions or the suspension or termination of operations. The Group could also be held responsible for costs relating to contamination at third party waste disposal sites used by the Group or on its behalf. Environmental laws often impose strict liability for remediation of spills and releases of oil

and hazardous substances, which could subject the Group to liability without regard to whether the Group has been negligent or at fault. For example, in certain jurisdictions, owners, operators and bareboat-charterers may be jointly and severally liable for the discharge of oil in territorial waters, including the 200 nautical mile exclusive economic zone. An oil spill could result in significant liability, including fines, penalties and criminal liability and remediation costs for natural resource damages under the laws of the jurisdictions in which the Group operates, as well as third-party damages and material adverse publicity. The Group is required to satisfy insurance and financial responsibility requirements for potential oil (including marine fuel) spills and other pollution incidents. The available insurance cover may not be sufficient to match all such risks. In addition, laws and regulations may impose liability on generators of hazardous substances, and as a result the Group could face liability for clean-up costs at third-party disposal locations.

Although each of the Rigs is owned by a subsidiary, the Company and the other Group Companies could, under certain circumstances, be held liable for damages (including liabilities for oil spills under environmental laws) or debts owed by a subsidiary. Therefore, it is possible that the Company could be subject to liability upon a judgment against a Group Company.

The Group strives to conduct its business activities in an environmentally sustainable manner. This is achieved through the use of written processes and risk management procedures focused on the proactive assessment of environmental risks associated with the Group's operations. These risk assessments help facilitate a reduction of the environmental impact of the Group's activities and help prevent the accidental release of oil and natural gas into the environment. While the Group's management is not currently aware of any situation involving an environmental claim that would likely have a material adverse effect on the Group, it is possible that an environmental claim could arise that could cause the Group's business to suffer.

5.17 **Insurance**

The Group's operations are subject to all the risks normally associated with offshore drilling operations and could result in damage to, or loss of, property, suspension of drilling operations or injury or death to employees or third parties. The Group's operations may be conducted in harsh environments where accidents involving catastrophic damage or loss of life could result. Litigation arising from such an event may result in the Group being named a defendant in lawsuits asserting large claims. As is customary in the drilling industry, the Group attempts to mitigate its exposure to some of these risks through indemnification arrangements and insurance policies.

The Group carries insurance coverage for its operations in line with industry practice and its insurance policies provide insurance cover for physical damage to the Rigs, loss of income for certain Rigs and third party liability.

The Group maintains Hull and machinery insurance (**"H&M Insurance"**) based on the market value for all of its rigs. In addition, the Group maintains war risk insurance for its Rigs in an amount equal to the total insured hull value (including hull and machinery value and hull interest value) subject to certain coverage limits, deductibles and exclusions, Protection and indemnity insurance (**"P&I Insurance"**) covering liability arising from its operations and loss of hire insurance ("**LOH Insurance**") for "Mist" and "Odin" which are currently operating under the Transocean Bareboat Charters. The LOH Insurance covers loss of income up to certain maximum amounts due to the relevant Rig being wholly or partially deprived of income as a consequence of damage to the rig which is recoverable under the H&M Insurance.

The terms of the Group's war risk policies include provisions whereby underwriters can give seven days' notice to the insured that the policies will be cancelled in the event of a change of risk or automatically in the event of any use of nuclear arms for war purposes or war between certain countries, which is standard for war risk policies in the offshore industry. Upon any proposed cancellation the insurer shall, before expiry of the seven-day period, submit new proposed terms for continuation of the insurance in the prevailing changed circumstances.

The P&I Insurance covers third party liabilities arising from the operation of the Rigs, including personal injury or death (for crew and other third-parties), collision, damage to fixed and floating objects, oil spills and pollution. For the Rigs which are stacked, the P&I Insurance cover is limited to USD 150 million per event (unless otherwise specifically stated in the policy) provided that if the aggregate of all claims against the Group as assured under the P&I Insurance cover exceeds USD 150 million, the insurer shall not be liable to make any payments in respect of such claims which in the aggregate exceeds USD 150 million. For the Rigs currently operating under the Transocean Bareboat Charters, the limitation amount is USD 400 million per event on the same terms as stated above.

Management considers the Group's level of insurance coverage to be appropriate for the risks inherent in the Group's business. The determination of the appropriate level of insurance coverage is made on an individual asset basis taking into account several factors, including the age, market value, cash flow value and replacement value of the Rigs.

5.18 Legal and arbitration proceedings

No Group Company is, at the date hereof, and has during the previous 12 months, been involved in any governmental, legal or arbitration proceedings, nor is the Group aware of any such pending or threatened proceedings which may have significant effects on the Group's financial position or profitability.

5.19 Related party transactions

The Group has since the Company's incorporation on 8 August 2016 and until the date of this Prospectus completed a number of related party transactions. These can be summarized as follows:

Taran

Taran is a large shareholder in the Company and the Company has completed the following transactions with Taran since its incorporation:

- A short-term loan of USD 13.0 million was provided to the Company by Taran on 2 December 2016 to finance the deposit payable for the Hercules Rigs. The loan was repaid by way of set-off against Taran's subscription for Shares in the December Private Placement.
- A short-term loan of USD 12.75 million was provided by Taran to the Company on 15 March 2017 to partly finance the deposit payable for the Transocean Transaction. The loan was repaid by way of set-off against Taran's subscription for Shares in the March Private Placement.
- A revolving credit facility of USD 20.0 million was provided to the Company by Taran on 12 December 2016. As of 31 December 2016 and 31 March 2017, no amount was drawn on this facility. The facility was cancelled on 31 May 2017.

Ubon

Mr. Fredrik Halvorsen is a director on the board of the Company and also owns 33.33% of the shares in Ubon.

On 9 December 2016, the Company issued 1,937,500 Warrants to Ubon. Each Warrant constitutes a right to purchase one new Share at a subscription price of USD 0.01. By 23 March 2017 all of the Warrants issued to Ubon had been exercised. The Warrants issued to Ubon were issued as compensation for Ubon's underwriting of the December Private Placement.

Magni Partners

Mr. Tor Olav Trøim is a director on the board of the Company and is the sole shareholder of Magni Partners.

On 9 December 2016, the Company issued 7,750,000 Warrants to Magni Partners. The Warrants issued to Magni Partners were issued as compensation for Magni Partners' underwriting of the December Private Placement. Each Warrant constitutes a right to purchase one new Share at a subscription price of USD 0.01. By 23 March 2017 all of the Warrants issued to Magni Partners had been exercised.

Magni Partners is party to a corporate support agreement with the Company dated 15 March 2017 pursuant to which it is providing strategic advice and assistance in sourcing investment opportunities, financing etc. During Q1 2017, Magni Partners received cash compensation of USD 1.4 million for various commercial services provided in connection with the acquisition of the Hercules Rigs.

Included in the payables at 30 June 2017 is an amount of USD 2 million due to Magni Partners for their assistance in the March Private Placement (USD 1.75 million) and Transocean Transaction (USD 0.25 million). The total cost for the March Private Placement (including the payment to the investment banks and Magni Partners) was USD 8.75 million, or 1.1% of the gross proceeds. The USD 2 million due to Magni Partners has now been paid.

Magni Partners has provided assistance to the Company in relation to the PPL Transaction and the October Private Placement. The Company will compensate Magni Partners for this with a fee of USD 1.5 million which shall be paid 1 month after completion of the October Private Placement. If the share price of Borr Drilling does not perform, Magni Partners has offered to cancel all or part of its compensation. Total fees to be paid to investment banks and Magni Partners related to the October Private Placement are USD 8.75 million, which translate to approximately 1.3% of gross proceeds.

Schlumberger

On 21 March 2017, the Company issued 4,736,887 Warrants to subscribe to new Shares in the Company at a subscription price of USD 3.50 plus 4% p.a. per Share to Schlumberger for their role, support and participation in the March Private Placement.

On 6 October the Company granted further 4,736,887 Warrants to Schlumberger as a consequence of the final collaboration agreement being been concluded on the same date. Further, on 6 October 2017, the parties agreed to cancel the Warrants against a compensation of approximately USD 4.7 million.

Option agreements

On 18 December 2016, Magni Partners and Ubon entered into an agreement with each of Primato AS, a company which is wholly owned by Mr. Rune Magnus Lundetræ (the CFO) and SAM International Offshore Consulting – Svend Anton Maier (the COO). Under the agreements each of these purchased an option to buy 960,000 Shares from Magni Partners and Ubon (split with 80% on Magni Partners and 20% on Ubon). The purchase price for each Share is USD 2.0. The option premium due to Magni Partners and Ubon is USD 192,414 for each counterparty and has been settled. The amount of the option premium has been set based on a calculation by an independent third party and reflected the fair value of the option at the time it was granted.

6. THE OCTOBER PRIVATE PLACEMENT

6.1 Overview

On 9 October 2017, the Company publicly announced that it had raised USD 650 million in gross proceeds through a private placement of 162,500,000 new Shares, each with a par value of USD 0.01, at a subscription price of USD 4.0 per share.

6.2 Issuance of the New Shares

The Company's shareholders resolved, in the Company's annual general meeting on 25 August 2017, to increase the Company's authorised share capital to USD 5,250,000, represented by 525,000,000 shares of USD 0.01 par value.

The consequence of this was that the Board, prior to the October Private Placement, was authorised to issue a further 209,207,500 shares without specific shareholder approval. Hence, the Board resolved to issue the New Shares in a board meeting on 9 October 2017.

The New Shares were delivered to the investors against payment on 11 October 2017 on an ISIN separate from the ISIN of the Company's listed Shares pending approval of the Prospectus. The New Shares were listed on Merkur Markets on 11 October 2017 (with ticker “BDRILL-ME”) under ISIN BMG 1466R1245). The New Shares will be admitted to trading on Oslo Børs and transferred to the ISIN and ticker of the Existing Shares as soon as practically possible following the approval of this Prospectus by the Norwegian FSA.

6.3 Participation of major existing shareholders and members of the Company’s management, supervisory or administrative bodies in the October Private Placement

Drew Holdings Limited (**"Drew"**), a company wholly owned by the Drew Trust, a trust established for the benefit of Mr. Tor Olav Trøim, was allocated 6,250,000 New Shares in the October Private Placement. Drew is a close associate of Mr. Tor Olav Trøim. Schlumberger was allocated 12,500,000 New Shares.

6.4 Proceeds and expenses

The net proceeds from the October Private Placement will be used to finance the pre-delivery instalments under the PPL Newbuilding Contracts and the PPL SPAs (USD 502 million) and general corporate purposes (including working capital). Costs associated with the October Private Placement are estimated to approximately USD 8.75 million, thus resulting in net proceeds of approximately USD 641 million. The Company will not charge any expenses directly to any investor in connection with the October Private Placement.

6.5 Rights attached to the New Shares

The New Shares have the same rights as those attached to the Existing Shares. The New Shares rank pari passu with the Existing Shares in all respects including the right to dividend. All Shares will have equal voting rights. All Shares carry one vote. Please refer to Section 10.8 "Summary of certain rights of the Company's shareholders under Bermuda law, the Memorandum of Association and the Bye-laws.

6.6 Dilution

Prior to the October Private Placement, the Company had 315,792,500 Shares in issue. 162,500,000 New Shares have been issued in the October Private Placement. Consequently, the immediate dilutive effect to existing shareholders that did not participate in the October Private Placement will be 34%.

6.7 Managers and advisers

The following acted as Joint Lead Managers and Joint Bookrunners in connection with the October Private Placement (the **"Managers"**):

- DNB Markets, a part of DNB Bank ASA, (address Dronning Eufemias gate 30, 0191 Oslo, Norway);
- Clarksons Platou Securities AS (address Munkedamsveien 62C, 0270 Oslo, Norway);
- ABG Sundal Collier ASA (address Munkedamsveien 45, 0250 Oslo, Norway);
- Fearnley Securities AS (address Grev Wedels Plass 9, 0151 Oslo, Norway);
- Pareto Securities AS (address Dronning Mauds gate 3, 0250 Oslo, Norway);
- Skandinaviska Enskilda Banken AB (publ.), Oslo branch (address Filipstad Brygge 1, 0252 Oslo, Norway); and
- Sparebank 1 Markets AS (address Olav Vs gate 5, 0161 Oslo, Norway).

Advokatfirmaet Wiersholm AS, Dokkveien 1, 0250 Oslo, Norway acted as legal advisor to the Company in connection with the October Private Placement.

6.8 Interest of natural and legal persons

The Managers and their affiliates have provided from time to time, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Managers, their employees and any affiliate may currently own Shares in the Company. The Managers do not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Total fees to be paid to the Managers and Magni Partners related to the October Private Placement are USD 8.75 million, which translate to approximately 1.3% of gross proceeds. Magni Partners has provided assistance to the Company in relation to the PPL Transaction and the October Private Placement. The Company will compensate Magni Partners for this with a fee of USD 1.5 million which shall be paid 1 month after completion of the October Private Placement. If the share price of Borr Drilling does not perform, Magni Partners has offered to cancel all or part of its compensation.

Consequently, Magni Partners and the Managers have an interest in the October Private Placement.

Beyond the above-mentioned, the Company is not aware of any interest, including conflicting ones, of any natural or legal person in the October Private Placement.

6.9 Jurisdiction and choice of law

The New Shares have been issued pursuant to the rules of the Bermuda Companies Act, the Memorandum of Association and the Bye-laws.

7. MARKET AND INDUSTRY OVERVIEW

The Company has used industry and market data obtained from independent industry publications, market research, and other publicly available information, including information from DNB Markets Equity Research[1] and Rystad Energy[2] in order to prepare the following overview of the offshore drilling industry. While the Company has compiled, extracted and reproduced data from external sources, the Company has not independently verified the correctness of such data. The Company therefore cautions investors not to place undue reliance on the above mentioned data. Unless otherwise indicated, the basis for any statements regarding the Group's competitive position is based on the Company's own assessment and knowledge of the market in which it operates.

The Company confirms that, where information has been sourced from a third party, such information has been accurately reproduced. As far as the Company is aware and is able to ascertain, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties is presented, the source of such information is identified.

Industry publications or reports generally state that the information they contain has been obtained from sources is believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and can thus not give any assurances as to the accuracy of market data, which has been extracted from such publications or reports and reproduced herein. Market data and statistics are inherently predictive and subject to uncertainty and do not, necessarily, reflect actual market conditions. Such statistics are based on market research, which, itself, is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

As a result, investors should be aware that statistics, statements and other information relating to markets, market sizes, market shares, market positions and other industry data set forth in the following (and projections, assumptions and estimates based on such data) may not be reliable indicators of the Group's future performance and the future performance of the offshore drilling industry.

The following discussion contains Forward-Looking Statements, see section 4.4 "Forward Looking Statements". The Forward-Looking Statements in this section are not guarantees of future outcomes and these future outcomes could differ materially from current expectations. Numerous factors could cause or contribute to such differences, and such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in section 1.5 "Risk factors" and elsewhere in this Prospectus.

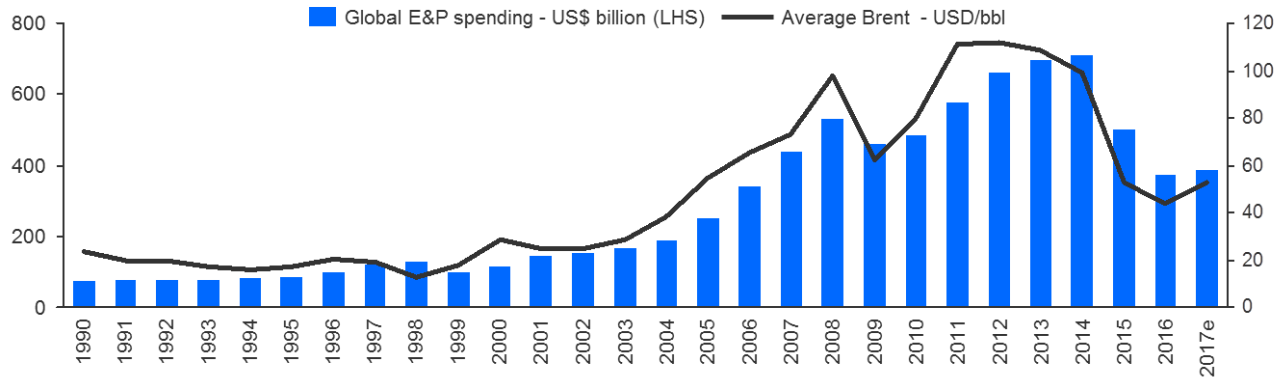
7.1 Introduction

The Group operates in the offshore drilling market which is a part of the international oil service industry. The fundamental driver of oilfield services and offshore drilling activity is the level of investment by and the E&P Companies' exploration, development and production of crude oil and natural gas. Historically, the level of upstream capital expenditure has been driven by future oil and natural gas price expectations. This correlation has recently been observed following the decline in

[1] Information from this source in the Prospectus is available at https://www.dnb.no/bedrift/markets.
[2] Information from this source in the Prospectus is available at https://www.rystadenergy.com/Products

crude oil prices in 2014, which had a negative impact on the demand for services across the oil service industry in general. As oil prices fell from an average of USD 109/barrel (Unit of Brent oil – **"Bbl"**) in H1 2014 to an average of USD 54/Bbl in 2015, the lower price along with uncertainty of future price development caused a material reduction in exploration and development spending, both in 2015 and in 2016. The figure below shows the correlations between global E&P spending on exploration and production and the oil price from 1990 to 2016.

Figure 7.1: Global E&P spending (USD billion 1990 – 2016)



Source: DNB Markets Equity Research

7.2 The global offshore drilling market

The offshore contract drilling industry provides drilling, workover and well construction services to oil and gas companies through the use of mobile offshore drilling rigs. Historically, the offshore drilling industry has been highly cyclical. Offshore exploration and development spending has fluctuated substantially on an annual and regional basis depending on several factors, including amongst others:

- General worldwide economic activity;
- Worldwide supply and demand for crude oil and natural gas;
- Oil and gas operators' expectations regarding crude oil and natural gas prices;
- Disruption to exploration and development activities due to severe weather conditions;
- Anticipated production levels and inventory levels;
- Political, social and legislative environments in major oil-producing regions;
- Regional and global economic conditions and changes therein; and
- The attractiveness of the underlying geographical prospects, in both specific fields and geographic locations.

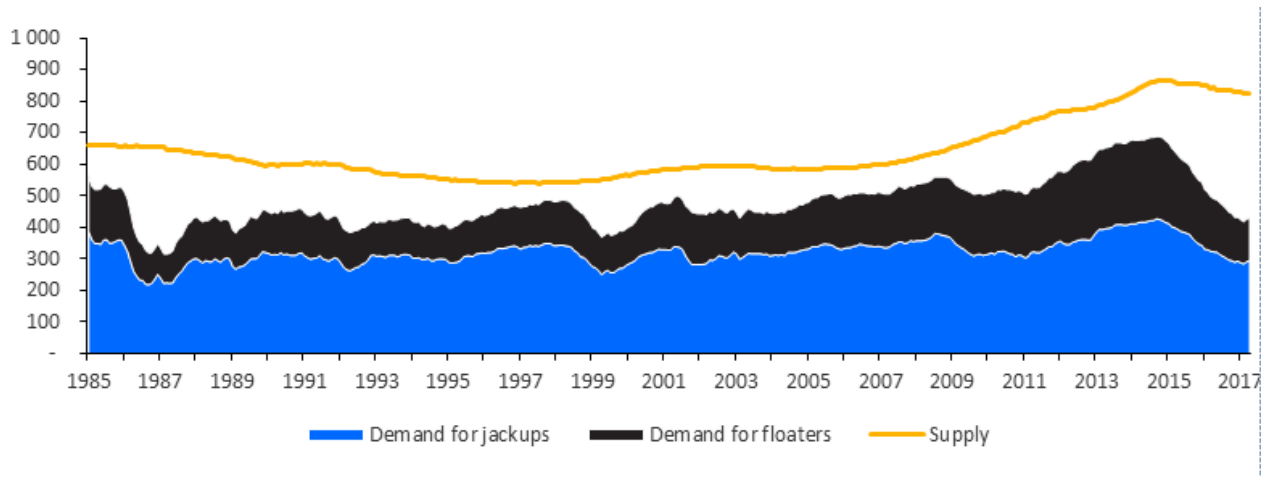
The profitability of the offshore drilling industry is largely determined by the balance between supply and demand for rigs. Offshore drilling contractors can mobilize rigs from one region of the world to another, or reactivate cold stacked rigs in order to meet demand in various markets.

The shallow water segment of the drilling industry is particularly competitive with no single contractor having a dominant market share. Competitive factors include price, rig availability, rig operating features, workforce experience, operating efficiency, condition of equipment, safety record, contractor experience in a specific area, reputation and customer relationships.

Offshore drilling contractors typically operate their rigs under contracts received either by submitting proposals in competition with other contractors or following direct negotiations. The rate of compensation specified in each contract depends on the number of available rigs capable of performing the work, the nature of the operations to be performed, the duration of work, the amount and type of equipment and services provided, the geographic areas involved and other variables. Generally, contracts for drilling services specify a daily rate of compensation and can vary significant in duration, from weeks to several years.

Global offshore drilling expenditure increased significantly in the period from 2004 to 2013 (with a temporary drop in 2009 and 2010). Approximately USD 478 billion was spent on offshore drilling services from 2000 to 2014 according to Rystad Energy's estimates. North America and North West Europe represented the major share of this. The significant decline in oil and gas prices during the latter part of 2014, and throughout 2015 and 2016, led to an abrupt reduction in demand for rigs in 2015 and onwards. The figure below illustrates the development in supply and demand in the offshore drilling market. The category "Demand" reflects the number of rigs actually working at any given time.

Figure 7.2: Supply and demand of offshore drilling rigs

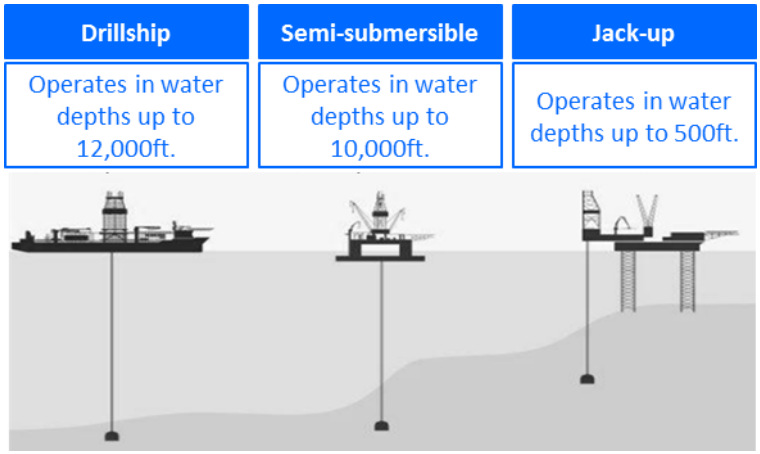


Source: DNB Markets Equity Research

Periods of high demand are typically followed by a shortage of rigs and consequently higher day rates which, in turn, make it profitable for industry participants to place orders for new rigs. This was the case prior to the oil price decline in 2014, where several industry participants ordered new rigs in response to the high demand in the market. However, despite the deteriorating market conditions between 2015 and 2016, the number of rigs available in the market continued to increase due to rigs coming off contract with no follow on work and due to the inflow of new rigs (albeit at a slower rate than originally planned), turning an excess rig demand into an excess supply of rigs and, consequently reducing day rates.

Most rigs are owned by industry participants who provide drilling services as their primary or only activity. Offshore drilling rigs are generally divided into three main categories as shown in the figure below.

Figure 7.3: Main rig categories by water depth



Source: DNB Markets

All offshore rigs provide varying levels of storage capacity, workspace, drilling and water depth capabilities as well as living quarters necessary to support well construction and maintenance services to its customer 24 hours a day. Main rig categories are separated by the water depth at which they can drill:

- **Drillships**: Generally self-propelled ships that can either be equipped with conventional mooring systems or dynamic positioning systems. Drillships are well suited for ultra deepwater drilling and drilling in remote locations due to their mobility and high load capacity.
- **Semi-submersible rigs:** Floating platforms with a ballasting system, operating in a "semi-submerged" position, with the lower hull ballasted below the waterline. Can either be moored or dynamically positioned and is well suited to medium water depth or harsh environments.
- **Jack-up rigs:** A jack-up drilling rig is towed to the drill site with its hull riding in the water and its legs raised. At the drill site, the jack-up drilling rig's legs are lowered until they penetrate the sea bed. Its hull is then elevated (jacked-up) until it is above the surface of the water. After the completion of drilling operations at a drill site, the hull is lowered until it rests on the water and the legs are raised. The rig can then be relocated to another drill site. Jack-up drilling rigs typically operate in shallow water depths, generally less than 400 ft. To move jack-up drilling rigs long distances (e.g. when mobilizing from one region to another), the rig is transported on board a heavy-lift vessel with the entire rig travelling above the water line.

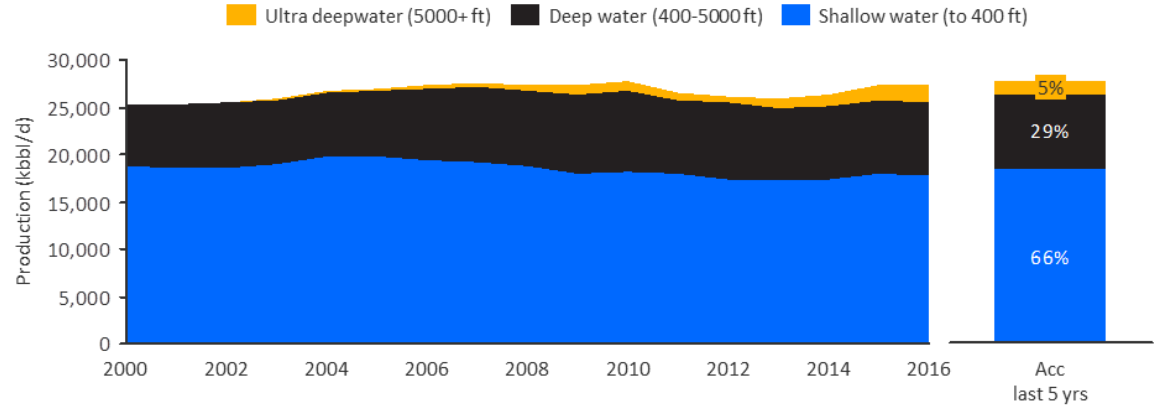
7.3 The jack-up drilling rig segment

The market

Jack-up drilling rigs can, in principle, be used to drill (a) exploration wells, i.e. explore for new sources of oil and gas or (b) new production wells in an area where oil and gas is already produced. The latter activity is referred to as development drilling. The shallow water oil and gas production is a low cost production, second only to Middle East onshore production in terms of cost. As a result and due to the shorter period from investment decision to cash flow, E&P Companies generally prefer shallow water developments over other offshore production categories.

As shown in figure 6.4 below, shallow water oil production, where jack-up drilling rigs are used, accounted for 66% of the global offshore production during the last five years. It therefore represents a key element in the global oil supply chain. The figure below shows the offshore oil production by water depth.

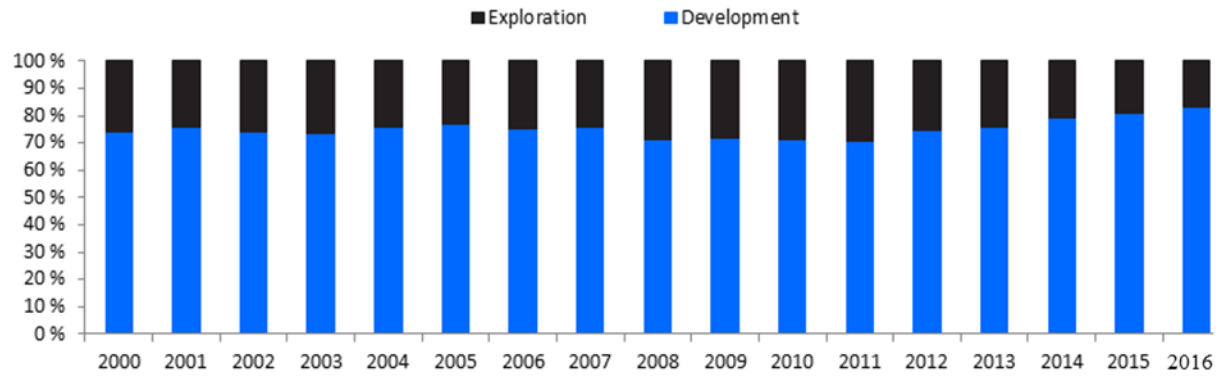
Figure 7.4: Offshore oil production by water depth



Source: Rystad Energy

Further, 83% out of the average 460 marketed jack-up drilling rigs globally were used for development drilling in 2016. The remaining 17% was used for exploration drilling. This makes the jack-up drilling rig market more resilient and less volatile compared to the other offshore drilling markets. The graph below shows the development in type of rig employment for jack-up drilling rigs between 2000 and 2016.

Figure 7.5: Development in type of rig employment for jack-ups 2000 – 2016



Source: DNB Markets Equity Research

Categories of jack-up drilling rigs

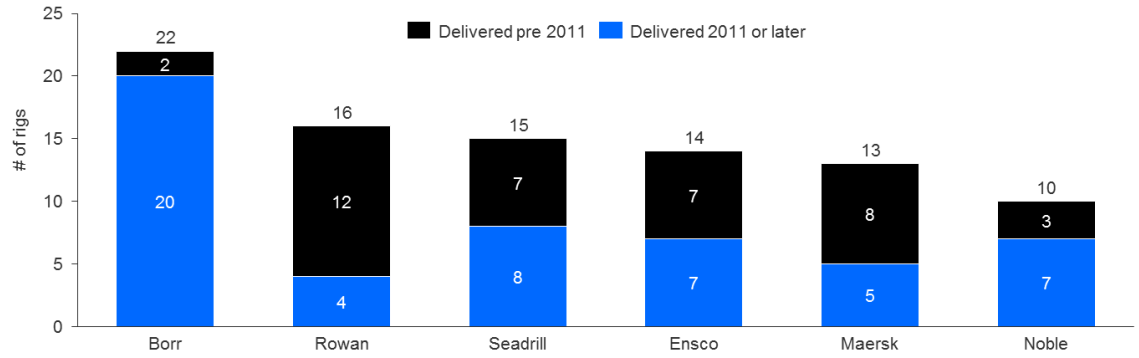
There are several sub-categories within the jack-up drilling rig segment based on different attributes of the rigs, typically water depth capability, hook load capacity and cantilever reach. Some rigs can also be equipped to operate in harsh environment (lower temperature and harsher weather conditions).

The offshore drilling market has, over the last years, experienced a shift in demand towards premium rigs. In line with this trend, several drilling contractors are renewing their fleets through both

newbuildings and acquisitions. Rigs delivered ex yard in 2001 or later are commonly referred to as premium rigs. Rigs delivered prior to 2001 are usually referred to as standard rigs.

One of the main reasons for the increased focus on premium rigs is an expected increase in the activity which requires equipment of higher standards due to more demanding wells. The Macondo incident has led to an increased focus on safe operations and HSE performance from the E&P Companies, shifting their preference to premium rigs. The global jack-up drilling rig fleet is generally facing an age challenge as the majority of the fleet is constructed before 1985, as illustrated later in this section. This potentially impacts negatively on safety and operational performance. The figure below shows the largest owners of premium rigs by number of rigs.

Figure 7.6: Largest premium jack-up rig owners by number of rigs



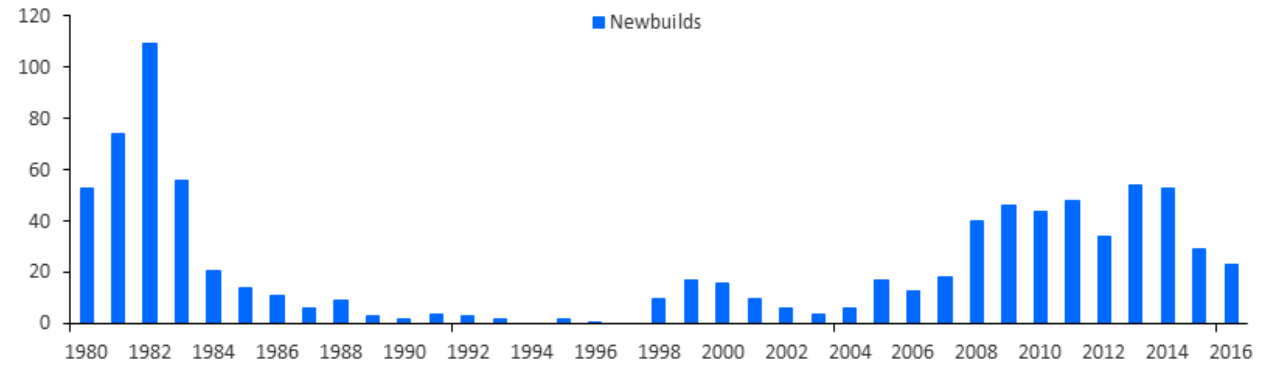
Listed owners only; Seadrill excludes Chinese newbuilds and non-consolidated entities, the Company includes newbuilds, Seadrill includes North Atlantic Drilling, Ensco includes Atwood Source: DNB Markets Equity Research

The global fleet

The global jack-up drilling rig fleet is currently at approximately 540 units. In addition approximately 90 jack-up drilling rigs are under construction (of which a large number has been ordered by financially weak players and speculators). Over half of the jack-up rigs in the global fleet were built in the 1970s and 1980s. Between 2011 and 2016, 69 jack-up drilling rigs with an average age of 33 years were removed from service, significantly more than the period from 1995 to 2010, when 42 jack-up rigs with an average age of 27 years were removed. From 2017 to 2020 the number of jack-up drilling rigs older than 40 years will increase from 58 to 115. Older jack-up drilling rigs are set to be retired at an increasing rate, and although there are large variations in the condition of such rigs, the expected increased complexity of wells to be drilled and the general focus on safe operations and HSE performance by the E&P Companies is shifting demand towards premium rigs. Adjusted for older and lower quality standard rigs with no work, the supply situation therefore looks less challenging in the short to medium term than over the last couple of years.

The figure below shows the historical newbuild development of the global jack-up drilling rig fleet since 1980.

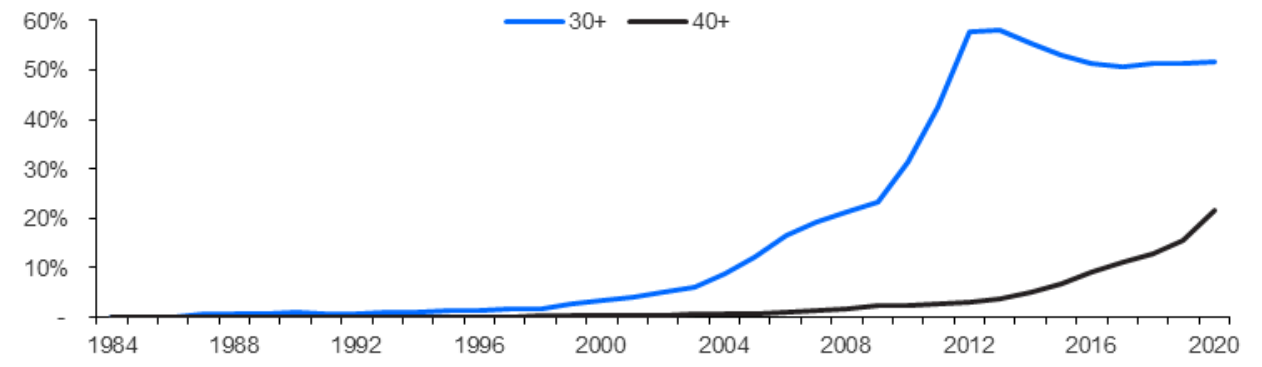
Figure 7.7: Historical newbuild development 1980 – 2016



Source: DNB Markets Equity Research

Currently, over 50% of the jack-up drilling rig fleet is more than 30 years old. A large portion of the older rigs are cold-stacked and will require significant capital expenditure in order to return to work / become competitive. The figure below shows the development in the number of jack-up drilling rigs older than 30 and 40 years in percent of the total jack-up drilling rig fleet.

Figure 7.8: Rigs older than 30 and 40 years old in percent of total jack-up drilling rig fleet



Source: DNB Markets Equity Research

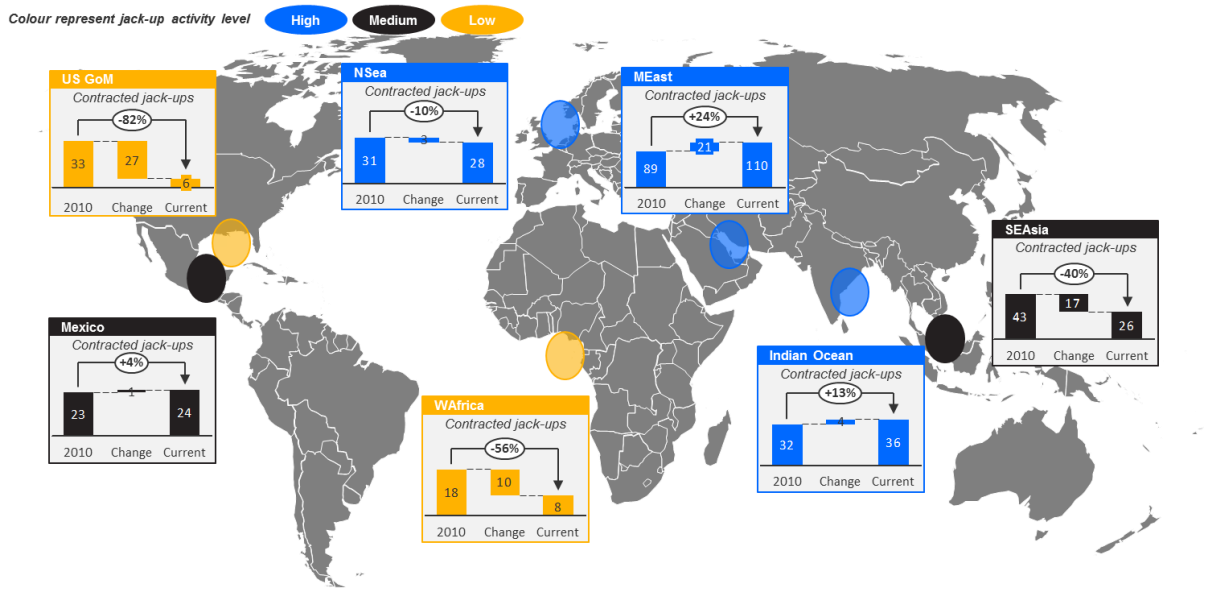
The supply and demand balance will also be impacted by older jack-up drilling rigs coming up for special period survey in 2017 and 2018. Many of these are likely to be phased out as the investment horizon over which upgrade investments must be defended is uncertain.

Since 2010, the geographical location of the working jack-up drilling rig fleet, has been most stable and high in the Middle East, the North Sea and South East Asia (representing more than 50% of the contracted fleet). These markets are still the most active and promising markets for premium rigs, with visible requirements developing in 2017 and beyond. The Middle East and South East Asia markets are also characterised by high NOC activity from E&P Companies that are owned wholly or with a majority share by national government ("**NOCs**") and low breakeven costs relative to other regions. The development in activity in West Africa has been negative, Mexico has been moderate, while the U.S.

Gulf of Mexico has collapsed and is no longer considered a relevant market for jack-up rigs. The jack-up drilling rig demand in the Indian Ocean is covered mainly by local operators and standard rigs.

The figure below shows the jack-up drilling rig market by region today compared to 2010.

Figure 7.9: Jack-up market current activity by region compared to 2010

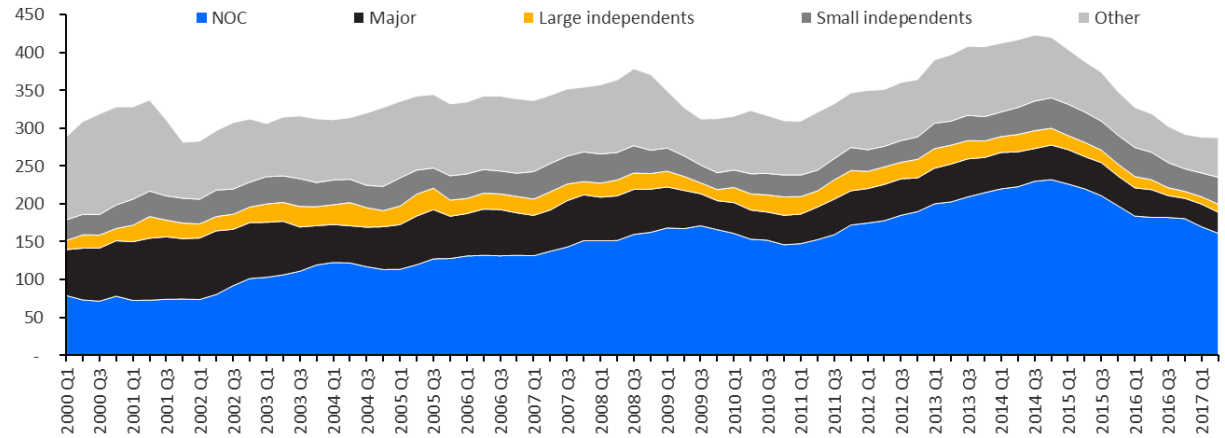


Source: DNB Markets Equity Research

Demand

Historically, demand for jack-up drilling rigs has been driven by NOCs. They have, since 2000, had more stable operational activities than other major E&P Companies. Large independents and small independent E&P Companies have generally become more deepwater focused. NOCs have represented an average of 53% of the total jack-up rig demand between 2010 and 2016. In comparison, the second largest jack-up drilling rig user by category, the major E&P Companies had, on average, 12% out of the total jack-up rig demand between 2010 and 2016. The figure below shows the development in jack-up drilling rig demand by type of operator.

Figure 7.10: Jack-up drilling rig demand by operator

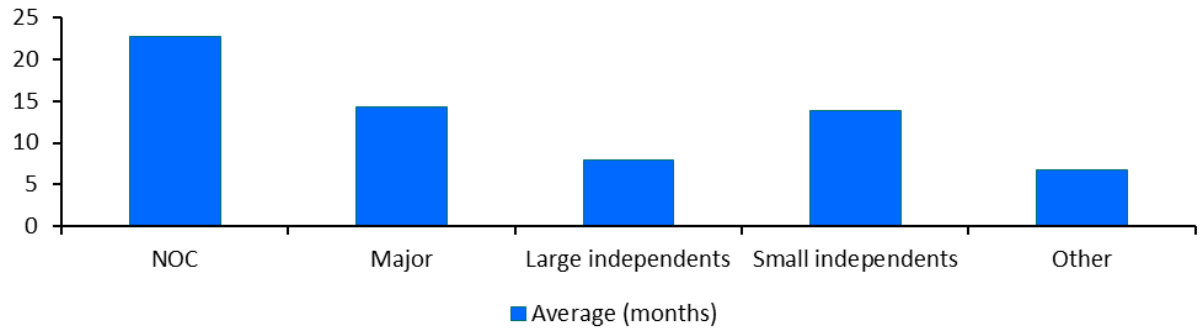


Source: DNB Markets Equity Research

NOCs typically take a long-term view of the offshore drilling market. This has resulted in an increase in offshore jack-up rig contract days in recent years. In contrast, independent E&P Companies generally take a shorter-term view of the offshore drilling market. These different approaches have resulted in a divergence of activity levels with independent E&P Companies being more prone to cancelling or delaying projects where the viability is threatened by persistent cost increases. On the other hand NOC's long term view tends to result in fewer project cancellations, longer contract lengths and ultimately, higher levels of sustained drilling activity.

The figure below illustrates the average jack-up drilling rig contract lengths by operator type.

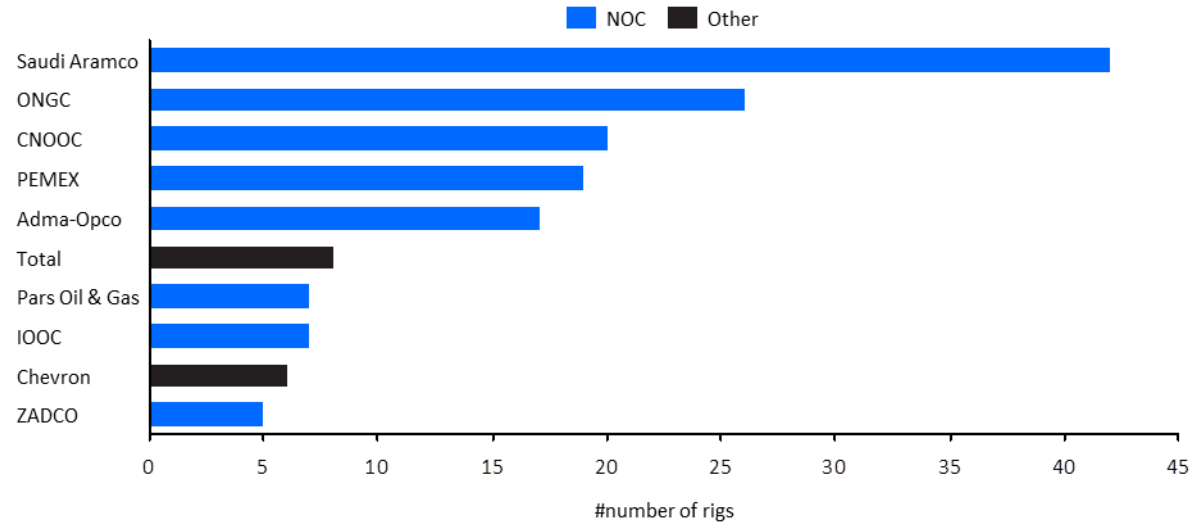
Figure 7.11: Average jack-up drilling rig contract lengths by operator type (contracts 2010 – 2017 YTD)



Source: DNB Markets Equity Research

As seen in the figure below, and as of May 2017, the NOCs who have contracted the largest number of offshore jack-up drilling rigs are Saudi Aramco, ONGC, CNOOC and Pemex. It is expected that these companies will continue with high levels of shallow water drilling activity. The figure below illustrates the top 10 operators in terms of number of contracted jack-up drilling rigs

Figure 7.12: Contracted jack-up drilling rigs by top 10 operators



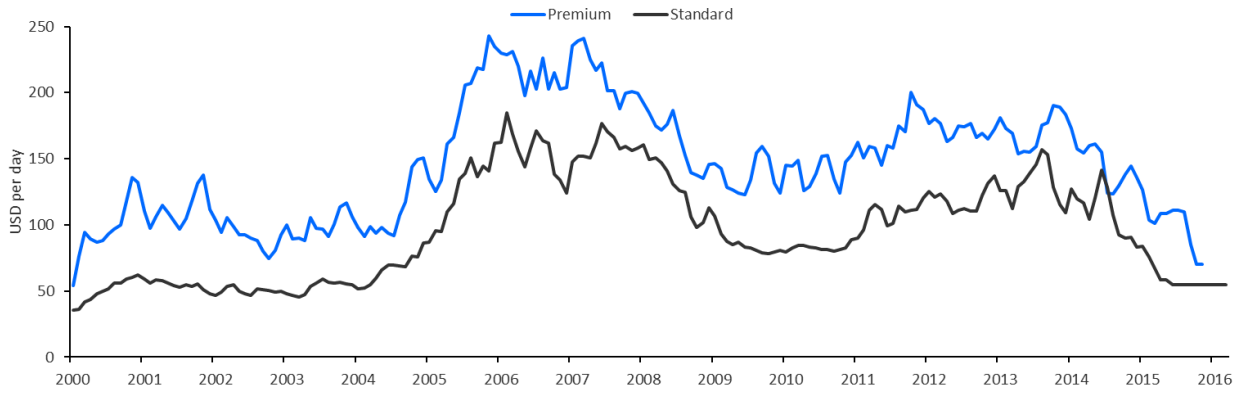
Note: Excluding owner-operated rigs

Source: DNB Markets Equity Research

Day rates

The global jack-up drilling rig market experienced a steady increase in day rates in the period 2010 to 2014. The significant increase was mainly due to an increased demand for drilling services caused by rapidly increasing oil and gas prices and investments in exploration during the period. The day rates have since fallen 50-60% from the level in 2014 and the market for premium rigs is now in the USD 60,000 – 70,000 per day range while being at USD 50,000 per day or less for older rigs. The figure below shows the development in day rates.

Figure 7.13: Premium vs. standard jack-up drilling rigs day rate (2000 – 2017 YTD)



Ex. U.S. Gulf of Mexico

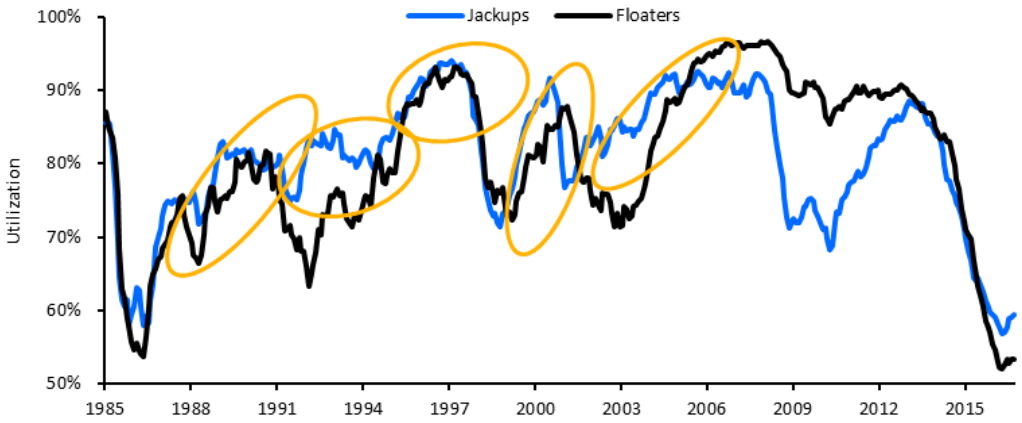
Source: DNB Markets Equity Research

Utilization

Historically, the international jack-up drilling rig fleet has been able to maintain relatively high utilisation rates, even during turbulent markets conditions. However, in line with the rest of the industry, the global jack-up drilling rig market was adversely affected by the abrupt downturn in 2014 which resulted in oil companies cancelling and/or postponing their drilling projects. The upward trend since 2011 was broken and the average utilization rate for jack-up drilling rigs fell from approximately 88% in 2013 to approximately 59% in 2016. The utilization rate is approximately 57% so far in 2017 as of the date of this Prospectus. The E&P Companies were left with excess drilling capacity and a desire to sublet, whereas the drilling contractors started to stack jack-up drilling rigs which did not have an obvious contract opportunity or required too much capex to keep running.

The jack-up drilling rig market's short cycle nature means that recovery is usually faster than in the floater market, which can be seen the graph below. The main reason behind this is that E&P Companies prefer shallow water developments over deepwater as the market recovers, due to shorter periods from investment decision to cash flow. The figure below illustrates the development in total utilization for the global jack-up drilling rig fleet compared to the global floater fleet.

Figure 7.14: Total utilization for jack-up drilling rigs vs floaters



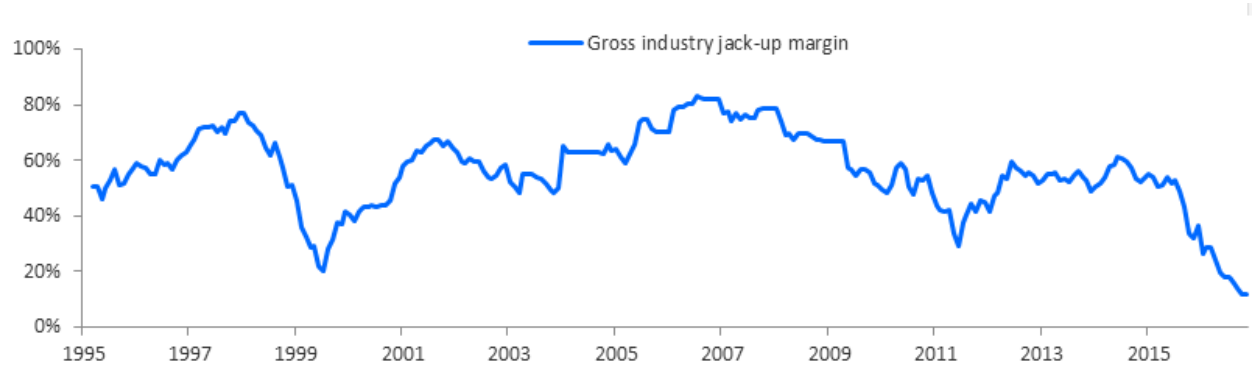
Source: DNB Markets Equity Research

Competition and margins

The offshore drilling industry is highly competitive with numerous participants, ranging from large international companies to smaller, locally owned companies and rigs owned by NOC's. The operations of the largest players are usually dispersed around the globe due to the high mobility of most rigs. Although the cost of moving a rig from one region to another and the availability of rig moving vessels may cause a short term imbalance between supply and demand in one region, significant variations between regions do not exist in the long-term due to rig mobility. The exception is the harsh environment market since non-harsh environment rigs are not capable of operating in these areas. Thus, the industry is characterized by a fiercely competitive, single and global market.

Although, the volatility of day rates and the fierce competitive nature of the jack-up market, the industry has delivered positive gross margins the past 20 years, and remain positive even in the current market. There has historically been a linear relationship between the margin and utilization. This can be seen in the two graphs below.

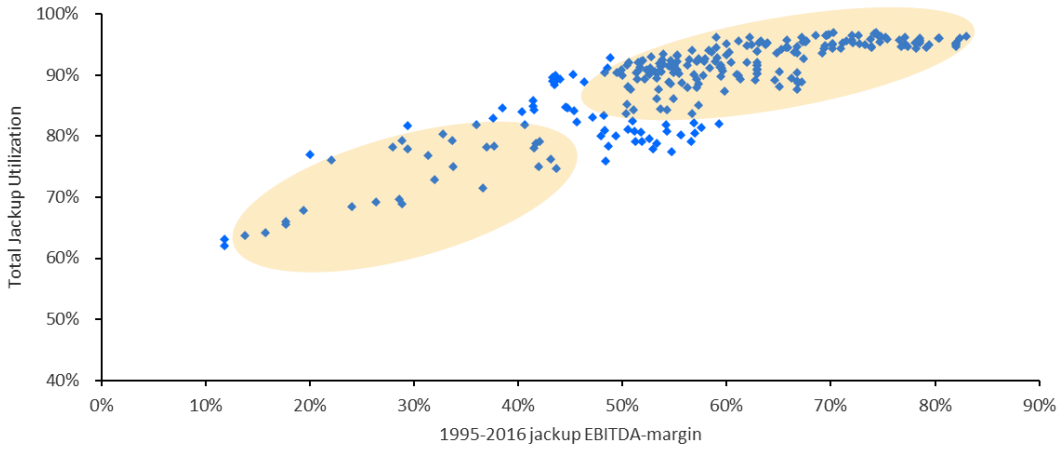
Figure 7.15: Gross industry jack-up drilling rig margin past 20 years



Day-rate less rig opex; est. pre-and including 2000 built jack-up drilling rigs margin until 2003, est. post 2000 built jack-up drilling rigs margin thereafter

Source: DNB Markets

Figure 7.16: Jack-up drilling rig margin over time versus utilization (1995 – 2016)



Source: DNB Markets Equity Research

Outlook

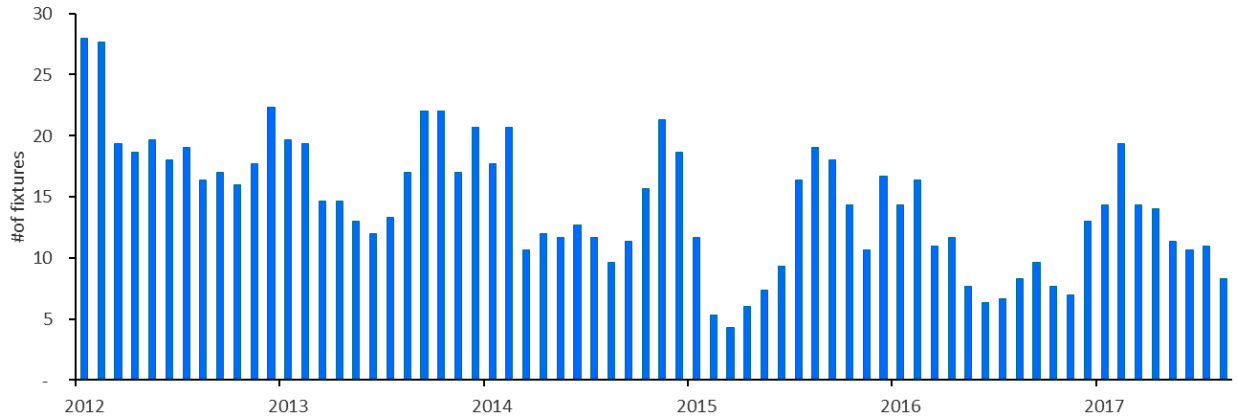
Brent Crude Oil prices have close to doubled since the low point of USD 27.9/Bbl on 20 January 2016 and is now at USD 58/Bbl (as of 19 October 2017). The International Energy Agency (**"IEA"**), in its 2016 World Energy Outlook report from November 2016, forecasted that energy demand will increase 30% from 2016 to 2040. The pace of the global economic recovery holds the key to energy prospects for the next several years, but oil demand is expected to increase by 1.4 million barrels per day in 2017 (approximately 1.4%). According to the IEA, crude oil production is expected to plateau over the next several years. Oil prices are expected to increase in both the near term and long term due to increased demand. Additionally, the global demand for natural gas is expected to increase over the same period.

Rystad Energy estimates that global offshore drilling expenditures will grow at an annual rate of approximately 5.5% in the period from 2016 to 2022.

The Company is witnessing an increased interest for its premium Rigs. In addition to the public tenders, the Company sees a growing potential in West-Africa for near-term contracting opportunities. Further, Mexico has started a journey towards opening the country to investments from foreign companies for exploration and production of oil and gas, and is likely to demand premium rigs going forward

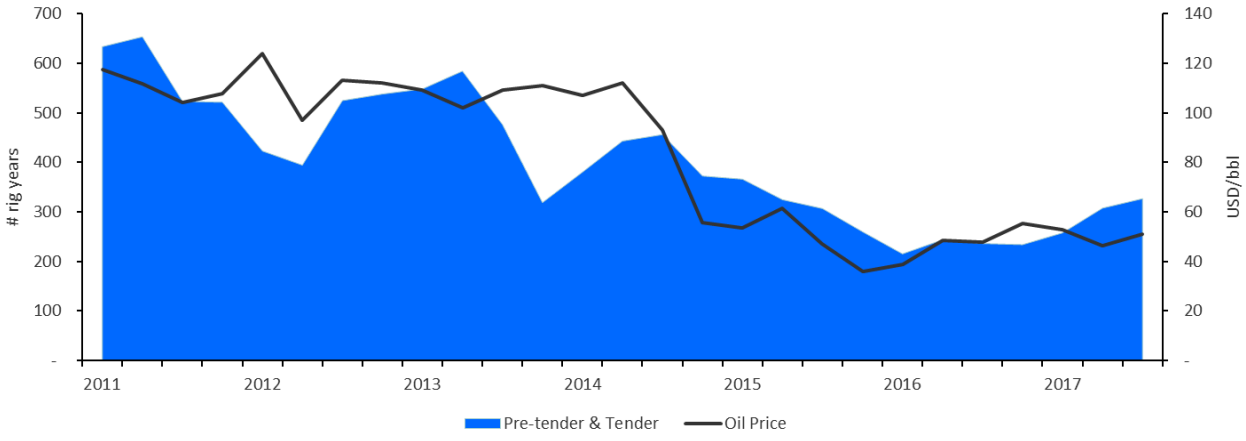
Recent increase in activity can also be seen from the improved tendering activity, with number of fixtures awarded and total duration of outstanding tenders and pre-tenders increasing. The development in number of jack-up fixtures awarded and total duration of outstanding tenders and pre-tenders can be seen in below figures.

Figure 7.17: Number of jack-up fixtures awarded



Source: DNB Markets Equity Research

Figure 7.18: Total duration of outstanding tenders and pre-tenders



Source: DNB Markets Equity Research

8. BOARD OF DIRECTORS, MANAGEMENT AND EMPLOYEES

8.1 General

The Board is responsible for the overall management of the Company and may exercise all of the powers of the Company not reserved for the Company's shareholders by the Bye-laws and Bermuda law.

The Bye-Laws states that the number of Directors shall not be less than two and that the shareholders shall determine, at the annual general meeting, the minimum and maximum number of directors within this limit. The Directors are, unless there is a casual vacancy, elected by the shareholders at the annual general meeting or any special general meeting called for that purpose. If there is a casual vacancy, the Board may appoint a Director to fill the vacancy provided always a quorum of Directors remains in office.

The Directors serve until the next annual general meeting following his/her election or until his/her successor is elected.

The Company's businesses address at Thistle House, 4 Burnaby Street, Hamilton HM11, Bermuda, serves as the c/o address for the Directors in relation to their directorships of the Company.

8.2 Board of Directors

8.2.1 Directors

The Board as at the date hereof consists of:

- Mr. Tor Olav Trøim (Chairman)
- Mr. Fredrik Halvorsen
- Mr. Jan A. Rask

Mr. Trøim has served as directors since the Company's incorporation. Mr. Halvorsen was elected as a director on 12 December 2016. These directors were re-elected to the Board at the Company's annual general meeting on 25 August 2017. Mr. Rask joined as director on 31 August 2017.

Their terms expire on the annual general meeting in 2018.

The Board is compliant with the independence requirements in the Norwegian Code of Practice Corporate Governance (the "**Code**"). All of the Directors are independent of the Company's executive management and material business contacts while two directors (Messrs. Halvorsen and Rask) are independent of the Company's major shareholders (shareholders holding more than 10 per cent of the Shares). Further, none of the Directors are members of the Company's management.

The Board will consider appointing one or two further Directors to increase the combined experience of the Directors and ensure that major shareholder interests are represented.

8.2.2 Brief biographies of the Directors

Set out below are brief biographies of the Directors, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which they are or have been a member of the administrative, management or supervisory bodies or partner in the previous five years (not including directorships and executive management positions in subsidiaries of the Company).

Tor Olav Trøim (born 1963), Chairman of the Board
Mr. Trøim has served as a Director since the Company's incorporation and was a key initiator behind the formation of the Company. He became the Chairman of the Company on 30 August 2017. Mr. Trøim is the founder and sole shareholder of Magni Partners. He is the senior partner (and an employee) of Magni Partners' subsidiary, Magni Partners Limited, in the UK. Mr. Trøim has 30 years of experience from energy related industries in various positions. Before founding Magni Partners in 2014, Mr. Trøim was a director of Seatankers Management Co. Ltd. from 1995 until September 2014. He was the Chief Executive Officer of DNO AS from 1992 to 1995 and an Equity Portfolio Manager with Storebrand ASA from 1987 to 1990. Mr. Trøim graduated with an MSc degree in naval architecture from the University of Trondheim, Norway in 1985. Mr. Trøim is a Norwegian citizen and a resident of the UK.

Current directorships and senior management positions	*Magni Partners (Bermuda) Limited (Founding Partner), Golar LNG Limited (Chairman), Golar LNG Partners LP (Chairman), Golar LNG Energy Limited (Chairman), Stolt-Nielsen SA. (Director) and Vålerenga Football Club AS (Director).*
Previous directorships and senior management positions last five years	*Seatankers Management Co. Ltd (Director), Seadrill Limited (Director), Golden Ocean Group Limited, Archer Limited, Seadrill Partners LLC (Director), Marine Harvest ASA (Director) and SapuraKencana Petroleum Berha (Director).*

Fredrik Halvorsen (born 1973), Director
Mr. Halvorsen has served as a Director since 12 December 2016.

Mr. Halvorsen founded and is currently building Ubon Partners AS, a private investment company focused on technology and growth companies. He was the Founder and Chairman of Acano until its sale to Cisco Systems Inc. in 2016 and earlier in his career the CEO of Tandberg until it was acquired by Cisco Systems Inc. in 2010. He worked for Frontline Corporate Services Ltd from October 2010 until July 2013 and this capacity acted as transitional CEO and President of Seadrill Management UK Limited from January to July 2013. In addition, Mr. Halvorsen has held senior positions at Cisco Systems Inc. as well as McKinsey & Company.

Mr. Halvorsen graduated from the Norwegian School of Business Economics in 1997. Mr. Halvorsen is a Norwegian citizen and a resident of Oslo, Norway.

Current directorships and senior management positions	*Jazz Networks Ltd. (*Chairman*), Golar LNG Limited (Director) and Ubon Partner AS (Founder and Partner)*
Previous directorships and senior management positions last five years	*Acano AS (Chairman), Disruptive Technologies (Director) and Frontline Corporate Services Ltd (Director).*

Jan A. Rask (born 1955), Director
Mr. Rask has worked in the shipping and oil service industries for approximately 30 years and has held a number of positions of responsibility in finance, chartering and operations. Mr. Rask possesses

particular knowledge and experience in the offshore drilling industry. Mr. Rask also has extensive knowledge of international operations, leadership of complex organizations and other aspects of operating a major corporation. He has held a number of executive positions including president, CEO and Director of TODCO, Managing Director, Acquisitions and Special Projects, of Pride International, President, CEO and director of Marine Drilling Companies, President and CEO of Arethusa (Off-Shore) Limited.

Mr. Rask holds a Bachelor degree from Stockholm School of Economics and Business Administration. Mr. Rask is a US citizen.

Current directorships and senior management positions	*Helix Energy Solutions Inc. (Director), EasyFill America LLC (Chairman) and Rask LLC (Chairman).*
Previous directorships and senior management positions last five years	*None.*

8.2.3 Remuneration and benefits

No remuneration was paid to the Directors for their services in in 2016.

8.2.4 Shares held by the current Directors

The following table sets forward the shareholdings of the current Directors as of the date of this Prospectus:

Name	Position	Number of shares owned	Number of options	Average exercise price
Tor Olav Trøim	Director	37,410,588[3]	0	N/A
Fredrik Halvorsen	Director	11,126,800[4]	0	N/A
Jan A. Rask	Director	0	0	N/A

8.3 **Management**

8.3.1 Overview of the senior management team

Ultimate responsibility for the management of the Company is vested in the Board.

The Board has decided that the Company shall have no employees and that all of the Company's management requirements shall be contracted in from subsidiaries and third parties. In doing so the Board will, at all times, retain sole authority on issues that are either of an unusual nature or of major importance to the Company and its activities. See section 5.12 "Management structure" below for description of the management structure.

The senior management team of the Company and the Group consists of three individuals holding the positions as CEO, CFO and COO. The team may be supplemented by one or two other functions as the Group's organisation grows.

[3] Owned through Magni Partners (Bermuda) Limited and two trusts established for the benefit of Mr. Trøim, Taran Holdings Limited and Drew Holdings Limited

[4] Owned through Ubon Partners AS

The appointment of the above functions is made by the Board among the employees in the Group's management companies. Their individual services as senior executive officers of the Group are integrated in the services their formal employer provides to the Company and the Group pursuant to the intra-group management agreements that have been concluded between the Company and each of Borr Drilling Management Dubai and Borr Drilling Management Oslo.

The names of the senior managers of the Group as at the date hereof, and their respective positions are presented in the table below:

Name	Position	Served since	Employer
Simon William Johnson	CEO	1 August 2017	Borr Drilling Management Dubai
Rune Magnus Lundetræ	Deputy CEO and CFO	19 December 2016	Borr Drilling Management Oslo
Svend Anton Maier	COO	19 December 2016	Borr Drilling Management Dubai

8.3.2 Brief biographies of the senior managers of the Group

Set out below are brief biographies of the senior managers of the Group, including their relevant management expertise and experience, significant principal activities performed by them outside the Group and names of companies and partnerships in which they are or have been a member of the administrative, management or supervisory bodies or partner during the previous five years (not including directorships and executive management positions in subsidiaries of the Company).

Simon William Johnson (born 1970), CEO

Mr. Johnson joined Borr Drilling Management Dubai on 1 August 2017 and was appointed as CEO from the same date. Before joining the Group, he was Senior Vice President, Marketing and Contracts with Noble Corporation, a publicly listed offshore drilling contractor. Mr. Johnson joined Noble Corporation in 2010 and was responsible for leading the development and execution of the company's commercial strategy. He has held numerous international marketing roles in Aberdeen, Perth, Singapore and Geneva over the past 16 years with Noble Corporation, Seadrill Limited and Diamond Offshore. His early career was spent in offshore and shore-based operative roles. Mr. Johnson holds a Bachelor of Commerce, Economics & Finance from Curtin University. Mr. Johnson is an Australian citizen and a resident of Dubai.

Current directorships and senior management positions..... None.

Previous directorships and senior management positions last five years... Noble Drilling (Senior Vice President, Marketing and Contracts).

Rune Magnus Lundetræ (born 1977), deputy CEO and CFO

Mr. Lundetræ joined Borr Drilling Management Oslo on 19 December 2016. He served as the Group's CEO until 31 July 2017. With effect from 1 August 2017 he was appointed as the Company and the Group's deputy CEO and CFO. Before joining Borr Drilling Management Oslo, Mr. Lundetræ worked as Managing Director of DNB Markets. He previously worked at Seadrill Limited for eight years, serving as chief financial officer from 2012 to 2015. Mr. Lundetræ holds an MSc of Accounting and Finance from the Norwegian School of Business and Economics (NHH) and London School of Economics. Mr. Lundetræ is a Norwegian citizen.

Current directorships and senior management positions	*Primato AS (Chairman), Primato Eiendom AS (Chairman), Steinkargt 24 AS (Chairman), Terrebrune AS (Chairman), Øvre Holmegate 34 AS (Chairman) and Montaag AS (Chairman).*
Previous directorships and senior management positions last five years	*Seadrill Limited (Chief Financial Officer), Seadrill Partners LLC (Chief Financial Officer) and North Atlantic Drilling Limited (Chief Financial Officer).*

Svend Anton Maier (born 1964), COO

Mr. Maier joined Borr Drilling Management Oslo on 19 December 2016. He transferred to the employment of Borr Drilling Management Dubai on 1 August 2017. He has since he joined Borr Drilling Management Oslo served as COO. Mr. Maier has more than three decades of experience within the oil and gas industry. He worked for Seadrill Limited between 2007 and 2016. Prior to this, Mr. Maier worked for leading drilling companies such as Transocean and Ross Offshore. He holds a degree in Marine Engineering from Tønsberg Maritime Academy. Mr. Maier is a Norwegian citizen and a resident of Dubai.

Current directorships and senior management positions	*Prosafe SE (Board member).*
Previous directorships and senior management positions last five years	*Seadrill Limited (SVP) and North Atlantic Drilling Limited (Chief Operating Officer).*

8.3.3 Remuneration and benefits of the senior management team

The remuneration to the senior management team has four components. The first component is each individual's fixed salary. This is set based on the individual's position and responsibility and the international salary level for comparable positions in the industry. The second component is local compensation such as housing allowance, mandatory pension payments, etc. The third component is a variable bonus. This is discretionary. Bonuses will be granted based on the performance of the Group and each individual in relation to targets set annually. The fourth component is share options, see section 8.3.4 "Long Term Incentive Plan for the senior executive team and key employees" below.

The salaries and other benefits paid to the senior management team for the financial year ended 31 December 2016 are set out in the table below in USD:

Name	Salary	Bonus	Pension cost	Other remuneration	Share option cost	Total
Rune Magnus Lundetræ	21,027	0	0	0	0	21,027
Svend Anton Maier	7,492	0	0	0	0	7,492

Simon William Johnson and Svend Anton Maier are entitled to 12 months' base salary (calculated from the end of the month in which notice of termination is submitted) as severance pay if their employment is terminated by the Company without cause. Rune Magnus Lundetræ is entitled to 9 months' base

salary as severance pay (after expiry of the 3 months' notice period) if his employment is terminated without cause. The employment terms of each of the senior managers furthermore include post-employment restrictions in line with industry practice.

The table set out above does only take into account the few days senior management was employed in 2016. Management will be remunerated according to international market standards for the offshore drilling industry. The remuneration will also take into account housing and other living costs in Oslo and Dubai.

8.3.4 Long Term Incentive Plan for the senior management team and key employees and directors

The Board has resolved to establish a long-term incentive plan for the Group's employees and directors (the "**LTI Plan**"). The LTI Plan is based on the granting of options to subscribe to new Shares. Such options will, typically, be granted with a term of 5 years. Options granted will vest over the first three years with one third each year. The exercise price will, normally, be the market price at the date of grant. No consideration will be paid by the recipients for the options. Options will only be granted to full-time employees or directors of the Group. If such relationship with the Group is terminated, unvested options will lapse. Vested options must, in the same situation, be exercised within a certain period after the termination date. The Board has approved a set of general rules for the LTI Plan and, furthermore, allocated 10,000,000 of the Company's authorised but unissued share capital to the issue of options under the LTI Plan.

On 15 June 2017, the Company granted 4,380,000 options to key employees of the Group. Out of these options 1,290,000 options were granted to Rune Magnus Lundetræ and 1,290,000 options were granted to Sven Anton Maier. The options were granted with a strike price of USD 3.50 per Share. The option period is 5 years from 15 June 2017. The options vest with 1/3 on each of the three first anniversaries in the option period.

On 3 July 2017, the Company granted an additional 2.8 million options to new employees with strike price of USD 3.50 per Share. Out of these 2 million options were granted to Simon William Johnson. The option period is 5 years from 1 July 2017. The options shall vest with 1/3 on each of the three first anniversaries in the option period.

On 4 October 2017, a further 75,000 options were granted to employees on the same terms as the previous options.

On 18 October 2017, a further 1,800,000 options were granted to key employees with a strike price of USD 4.00. The options can be exercised according to the following schedule: 1/3 after one year, a further 1/3 after two years and the final 1/3 after three years. The share options lapse upon the 5th anniversary of the date of grant.

8.3.5 Ownership interests of the senior management team

The following table sets forward the shareholdings and share options of the senior members of the Group's management team as of the date hereof:

Name	Position	Number of shares owned	Number of options	Average exercise price USD
Simon William Johnson	CEO	500 000[5]	2,000,000	3.50
Rune Magnus Lundetræ	Deputy CEO, CFO	50,000[6]	2,250,000	2.86
Svend Anton Maier	COO	50,000	2,250,000	2.86

The 2,250,000 options held by each of Rune Magnus Lundetræ and Svend Anton Maier comprise 1,290,000 options granted by the Company with a strike price of USD 3.50 and 960,000 options with a strike price of USD 2.00 purchased from Magni Partners and Ubon pursuant to an agreement entered on between the parties on 18 December 2016. Rune Magnus Lundetræ and Svend Anton Maier entered into the agreement through their individual companies, Primato AS (Rune Magnus Lundetræ) and SAM International Consulting (Svend Anton Maier). The option premium due to Magni Partners and Ubon of USD 192,414 in total for each has been settled.

On 1 August 2017, the Company transferred 500,000 Shares held in treasury to Simon William Johnson, the CEO, as part of his remuneration package. The Shares are restricted and will be released as follows: one third will be released on 18 January 2018, one third will be released on 18 January 2019, and the last one third will be released on 18 January 2020.

On termination of Mr. Johnson's employment by the Company any Shares which remain restricted will be released to Simon William Johnson, subject to compliance with relevant securities trading rules, for him to deal with as he sees fit.

8.4 **Benefits upon termination**

Other than set out in section 8.3.3 "Remuneration and benefits of the senior management team", the employment contracts of the members of the Group's administrative, management or supervisory bodies' do not provide for benefits upon termination of employment (other than standard notice provisions).

8.5 **Audit, compensation and nomination committee**

8.5.1 Audit committee

The Company is not, pursuant to Bermuda law, required to have an audit committee. Consequently the Company has not established such a committee. The Board supervises the Company's internal control systems, ensures that the auditor is independent and ascertains that the annual and quarterly reporting gives a fair view of the Company's financial results and financial condition in accordance with generally accepted accounting principles.

[5] These shares are restricted

[6] Owned through Primato AS

8.5.2 Compensation committee

The Board serves as the Company's compensation committee. The compensation policy is reviewed annually. The Board evaluates and determines the total remuneration to the CEO and the policy for remuneration to other members of the senior management team.

8.5.3 Nomination committee

The Company is not required to have a nomination committee under Bermuda law. The Company has, so far, seen no reasons to constitute such a committee. The Board will, continuously, consider it`s combined expertise and experience so as to ensure that the Board, collectively, has the knowledge and experience required to oversee and direct the activities of the Group.

8.6 Employees

As of 31 December 2016, the Group had a total of 2 full time employees. Both were employed by Borr Drilling Management Oslo. As of 30 June 2017, the Group had 6 full time employees.

As of the date of this Prospectus, the Group has a total of 33 employees and has, furthermore, engaged 17 consultants. Additional employees are in the process of being hired, primarily by Borr Drilling Management Dubai.

8.7 Loans and guarantees

The Company has not granted any loans, guarantees or other commitments to any of the Directors or to any member of the senior executive team.

8.8 Conflict of interest, etc.

There are no conflicts of interest between the duties and obligations the Directors and the members of the senior management team have to the Company and their individual private interests and/or duties.

No family relations exist between any Director and the individuals in the senior management team.

During the last five years preceding the date of this Prospectus no Director or member of the senior management team has:

- received a conviction in relation to fraudulent offences;
- been involved in any bankruptcy, receivership or liquidation in his capacity as a member of the administrative, management or supervisory bodies; or
- received any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or ever been disqualified from a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct affairs of any issuer.

8.9 Corporate governance

As a company incorporated in Bermuda, the Company is subject to Bermuda laws and regulations with respect to corporate governance. Bermuda corporate law is based on English law. In addition, the Listing will subject the Company to certain aspects of Norwegian securities law, which include an

obligation to report on the Company's compliance with the Code in its annual report on a comply or explain basis.

The Company is committed to ensuring that high standards of corporate governance are maintained and supports the principles set out in the Code.

It is the opinion of the Board that the Company, subject to the following exceptions, complies with the Code at the date hereof:

1. The Board's authority to increase the Company's issued share capital is limited to the extent of its authorized but not issued share capital at any time and is not restricted to specific purposes.
2. The appointment of an audit committee, a nomination committee and a remuneration committee is not required under Bermuda law. The Company has so far not seen sufficient reason to appoint such committees.
3. The Bye-laws permit the Board to grant share options to employees without requiring that the general meeting be presented with the volume or other terms and conditions of such scheme.
4. The Bye-laws permit general meetings being summoned with 7 days' notice (the notice period being exclusive of the day on which the notice is served and the day on which the meeting to which it relates is to be held). The effective notice period from the date a notice is announced until it is deemed to be received by a shareholder is, however, 11 days.
5. Pursuant to the Memorandum of Association the objects for which the Company was formed and incorporated are unrestricted.
6. The Board will consider and determine, on a case by case basis, whether independent third party evaluations are required when entering into agreements with close associates.
7. The chairman of the Board is elected by the Board and not by the shareholders as recommended in the Code. This is in compliance with normal procedures under Bermuda law.
8. There is no requirement in Bermuda law for the Board to prepare guidelines for its own work or management and the Board has so far not seen sufficient reason to do so.

9. OPERATING AND FINANCIAL INFORMATION

9.1 Basis for preparation, accounting principles and policies

The following selected financial information for the period 8 August 2016 (the date of the Company's incorporation) to 31 December 2016 has been extracted from the Annual Financial Statements. The selected financial information for the periods 1 January to 30 June 2017 (H1 2017) and 1 April 2017 to 30 June 2017 (Q2 2017) has been extracted from the Q2 2017 Financial Statements.

The Annual Financial Statements and Q2 2017 Financial Statements are presented in accordance with US GAAP. The amounts are, unless otherwise stated, presented in USD rounded to the nearest thousand.

The selected financial information set forth in section 9 "Operating and financial information" should be read in connection with, and is qualified in its entirety by reference to the Financial Statements which are included in the appendices.

The Financial Statements have been prepared by applying accounting principles consistently and presents in the opinion of Company, fairly the Company's results during the periods covered and financial position at the end of such period in accordance with US GAAP.

The Financial Statements present the consolidated financial position of the Group.

The Financial Statements include all of the assets and liabilities of the Group. All intercompany balances, transactions and internal sales have been eliminated on consolidation. Unrealized gains and losses arising from transactions with any associates are eliminated to the extent of the Group's interest in the entity.

The Group has one operating segment. This is reviewed as an aggregated sum of assets, liabilities and activities that exists to generate cash flows by the Board (which is the Company's "chief operating decision maker").

There have been significant changes in the financial position of the Group since 30 June 2017. These are described in section 9.11 "Significant changes in financial and trading position after 30 June 2017".

9.2 Selected historical financial information

9.2.1 Selected income information

The table below sets out a summary of the Company's audited, consolidated income statement information for the period 8 August 2016 (day of incorporation) to 31 December 2016 and unaudited, consolidated income statement information for the interim periods 1 January 2017 to 30 June 2017 and 1 April 2017 to 30 June 2017:

Amounts in USD 1,000s	Q2 2017 (Unaudited)	H1 2017 (Unaudited)	8 August – 31 December 2016 (Audited)
Operating expenses			
Rig operating and maintenance expenses	(3,122)	(5,459)	-
Depreciation and amortization	(3,462)	(4,412)	-
General and administrative expenses	(6,296)	(7,864)	(753)
Total operating expenses	**(12,880)**	**(17,735)**	**(753)**
Operating loss	**(12,880)**	**(17,735)**	**(753)**
Other financial income (expense), net	1,122	1,114	-
Total financial items and other income/(expense), net	**(11,758)**	**(16,621)**	**(753)**
Loss before income taxes	**(11,758)**	**(16,621)**	**(753)**
Income tax expense	(32)	(40)	(2)
Net loss for the period	**(11,790)**	**(16,661)**	**(755)**
Basic loss per Share	**(0.071)**	**(0.133)**	**(0.075)**
Diluted loss per Share	**(0.071)**	**(0.133)**	**(0.075)**

Consolidated statement of comprehensive (loss)/income

Loss after income taxes	**(11,790)**	**(16,661)**	**(755)**
Other comprehensive income			
Currency translation differences	1	(2)	-
Change in unrealised (loss)/gain on non-current marketable securities	(200)	(200)	-
Other comprehensive loss for the period	**(11,989)**	**(16,863)**	**(755)**

9.2.2 Selected balance sheet information

The table below sets out a summary of the Company's audited consolidated, balance sheet as of 31 December 2016 and unaudited consolidated balance sheet as of 30 June 2017:

Amounts in USD 1,000s	Q2 2017 (Unaudited)	2016 (Audited)
ASSETS		
Current assets		
Cash and cash equivalents	193,789	138,119
Restricted cash	11,105	-
Other current assets	8,748	-
Total current assets	**213,642**	**138,119**
Non-current assets		
Property, plant and equipment	250	3
Jack-up drilling rigs	681,808	-
Newbuildings	122,841	-
Marketable securities	5,350	-
Deposits and costs for business combinations and jack-up drilling rigs	-	19,966
Total non-current assets	**810,249**	**19,969**
Total assets	**1,023,891**	**158,088**
LIABILITIES AND EQUITY		
Current liabilities		
Trade payables	7,915	40
Accruals and other current liabilities	12,357	204
Total current liabilities	**20,272**	**244**
Non-current liabilities		
Other non-current liabilities	71,356	-
Total non-current liabilities	**71,356**	**-**
Commitments and contingencies	**-**	**-**
Total liabilities	**91,628**	**244**
EQUITY		
Common shares of par value USD 0.01 per share	3,158	775
Additional paid in capital	946,723	157,824
Other comprehensive income	(202)	-
Accumulated deficit	(17,416)	(755)
Total equity	**932,263**	**157,844**
Total liabilities and equity	**1,023,891**	**158,088**

9.2.3 Selected cash flow information

The table below sets out a summary of the Company's audited consolidated cash flow statement for the period 8 August 2016 (day of incorporation) to 31 December 2016 and unaudited consolidated cash flow statement for the interim periods 1 January 2017 to 30 June 2017 and 1 April 2017 to 30 June 2017:

Amounts in USD 1,000s	Q2 2017 (Unaudited)	H1 2017 (Unaudited)	8 August – 31 December 2016 (Audited)
Cash flows from operating activities			
Net (loss)/income	(11,790)	(16,661)	(755)
Adjustments to reconcile net (loss)/income to net cash provided by operating activities:			
Non-cash compensation expense related to Warrants	85	85	430
Depreciation of Rigs	3,462	4,412	-
Unrealised loss on derivatives	995	995	-
Change in other current assets	(3,710)	(8,204)	-
Change in other current liabilities	9,523	14,124	244
Net cash (used in)/provided by operating activities	**(1,435)**	**(5,249)**	**(81)**
Cash flows from investing activities			
Decrease (increase) in restricted cash	209,950	(11,105)	-
Purchase of plant and equipment	(257)	(257)	(3)
Purchase business combination	(288,673)	(320,673)	-
Deposits on business combinations	-	-	-
Purchase of marketable securities	(5,550)	(5,550)	-
Payment and costs in respect of Newbuildings	(275,000)	(275,000)	-
Payments and costs in respect of Rigs	-	(117,691)	(13,963)
Net cash (used in)/provided by in investing activities	**(359,530)**	**(730,276)**	**(13,966)**
Cash flows from financing activities			
Proceeds from the issue of Shares, net of issuances cost and conversion of shareholder loan	-	778,447	139,166
Proceeds from related party shareholder loan	-	12,750	13,000
Net cash (used in)/provided by financing activities	**-**	**791,197**	**152,166**
Net increase in cash and cash equivalents	**(360,965)**	**55,672**	**138,119**
Foreign exchange translation difference	1	(2)	-
Cash and cash equivalents at beginning of the period	554,753	138,119	-
Cash and cash equivalents at the end of period	**193,789**	**193,789**	**138,119**
Supplementary disclosure of cash flow information			
Interest paid, net of capitalized interest	-	-	-
Taxes paid	-	-	-

9.2.4 Statement of changes in equity

The table below sets out a summary of the Company's audited consolidated statement of changes in equity for the period 8 August 2016 to 31 December 2016 and unaudited consolidated statement of changes in equity for the interim period 1 April 2017 to 30 June 2017:

Amounts in USD 1,000s	Number of shares	Share Capital	Additional paid in capital	Other comprehensive income	Accumulated deficit	Total equity
At incorporation 8 August 2016	**5**	**-**	**-**	**-**	**-**	**-**
Shares subdivided and capital contribution	5,000	-	10	-	-	10
Net share proceeds	77,500,000	775	151,381	-	-	152,156
Fair value of Warrants	-	-	10,720	-	-	10,720
Equity issuance costs, Warrants	-	-	(4,287)	-	-	(4,287)
Net loss for the period	-	-	-	-	(755)	(755)
Consolidated balance at 31 December 2016	**77,505,000**	**775**	**157,824**	**-**	**(755)**	**157,844**
Transfer from Shares issued subject to put option agreements on 31 May 2017:						
Issue of Shares	228,600,000	2,286	797,814	-	-	800,100
Equity issuance costs	-	-	(9,000)	-	-	(9,000)
Other transactions:						
Exercise of Warrants	9,687,500	97	-	-	-	97
Foreign exchange reserve	-	-	-	(2)	-	(2)
Fair value of Warrants issued	-	-	3,011	-	-	3,011
Equity issuance costs, warrants	-	-	(3,011)	-	-	(3,011)
Fair value adjustment to marketable securities, non-current	-	-	-	(200)	-	(200)
Valuation of employee stock options	-	-	85	-	-	85
Total comprehensive loss for the period	-	-	-	-	(16,611)	(16,661)
Consolidated balance at 30 June 2017	**315,792,500**	**3,158**	**946,723**	**(202)**	**(17,416)**	**932,263**

9.3 **Operational and financial review**

9.3.1 Operational review

Key events in 2016

The Company was incorporated on 8 August 2016.

On 2 December 2016, the Company signed the purchase agreement for the Hercules Rigs with Hercules for a total consideration of USD 130 million. A deposit of USD 13 million was paid to Hercules.

On 9 December 2016, the Company resolved to increase its issued share capital through the issue of 77,500,000 new shares in a private placement and to issue 9,687,500 warrants to subscribe for new shares at their par value to Magni Partners (7,750,000) and Ubon (1,937,500) as compensation for their support of the same and other services.

On 12 December 2016, the Company completed the December Private Placement raising gross proceeds of USD 155 million.

Key events in H1 2017

On 23 January 2017, the Group closed the purchase of the Hercules Rigs.

On 15 March 2017, the Company signed a letter of intent documenting the main commercial terms agreed for the Transocean Transaction and paid a deposit towards the purchase price in the amount of USD 32 million to Transocean.

On 15 March 2017, the Company signed a heads of agreement with Keppel for the novation of the Keppel Newbuilding Contracts to designated subsidiaries of the Company and various amendments to the terms thereof (the price, payment terms and delivery dates).

On 16 March 2017, the Company resolved to increase its issued share capital through the issue of 228,600,000 new Shares in the March Private Placement.

On 20 March 2017, Magni Partners and Ubon exercised 5,812,500 Warrants with a subscription price of USD 0.01 thus increasing the Company's paid in share capital with USD 58,125.

On 21 March 2017, the Company completed the March Private Placement, raising gross proceeds of approximately USD 800.1 million. Further, the Company issued 4,736,887 Warrants to Schlumberger, exercisable at a price of USD 3.50 plus an annual rate of 4% with a term of four years.

On 23 March 2017, Magni Partners and Ubon exercised their remaining 3,875,000 Warrants thus increasing the Company's paid in share capital with USD 38,750.

On 26 March 2017, the Company agreed to issue a further 4,736,887 Warrants to Schlumberger on the same terms as the Warrants already issued to them if and when a comprehensive collaboration agreement is signed by the parties.

On 23 May 2017, the Company signed final agreements on the term of the Transocean Transaction with Transocean.

On 24 May 2017, the Company signed final agreements in respect of the Keppel Transaction with Keppel.

On 31 May 2017, the Company closed the May Transactions.

On 12 June 2017, the Company paid a pre-delivery instalment to Keppel of USD 275 million pursuant to the Keppel Newbuilding Contracts.

On 14 June 2017, Total Nigeria issued the Total LoC.

On 22 June 2017, the Company signed the Valiant MoA.

May 2017: The Company purchased securities issued by a rig company for approximately USD 5.5 million.

May – August 2017: The Company entered into forward contracts to purchase 7,800,000 shares (including purchases made in August 2017) in Atwood. The total contract amount is approximately USD 58 million with settlement in fourth quarter 2017.

9.3.2 Material factors affecting the Company's results of operation

The Hercules Rigs were not employed and were thus stacked during Q1 2017. Hence, the material factors impacting the results of operation in Q1 2017 were the stacking costs and personnel and operating expenditures.

The Transocean Rigs (other than the Thailand Rigs) and the Hercules Rigs were stacked in Q2 2017. The Thailand Rigs operated but generated no revenue to the Company as their net revenue was paid directly to Transocean as part of the consideration in the Transocean Transaction.

Going forward, the Company's results of operation will be impacted by several factors, including, but not limited to:

- stacking and maintenance costs for those of the Rigs that are unemployed;
- overall demand for offshore drilling services in the shallow water segment;
- the Group's ability to secure contracts for the Rigs and to renew existing contracts for those Rigs that are employed;
- the costs of reactivating Rigs having been stacked once contracts for employment are secured;
- day rates in contracts;
- the utilization rate of Rigs employed;
- the cost of operating Rigs that are employed;
- the development of the market value of the Rigs; and
- the cost of scrapping Rigs.

9.3.3 Financial review

Profit and loss

No operating revenues were reported in 2016 and H1 2017.

Total operating expenses were USD 0.8 million in 2016 and USD 17.7 million in H1 2017. Total operating expenses consists of rig operating and maintenance expenses, depreciation and amortization, and general and administrative expenses.

Total rig operating and maintenance expenses were USD Nil in 2016 and USD 5.5 million in H1 2017. The Hercules Rigs were acquired on 23 January 2017 and the Transocean Rigs were acquired on 31 May 2017 and the increase from 2016 is due to stacking costs related to these.

Total depreciation of Rigs was USD Nil in 2016 and USD 4.4 million in H1 2017. This relates to depreciation charges for the Hercules Rigs and the Transocean Rigs.

Total general and administrative expenses were USD 0.8 million in 2016 and USD 7.9 million in H1 2017. The increase was mainly due to a one off cost of approximately USD 0.9 million related to the start-up of the Company and fees related to the Hercules Transaction in 2016 and the Transocean Transaction and the Keppel Transaction in H1 2017.

Other general and administrative expenses were costs incurred related to the running and management support of the Company e.g. salaries, consulting and professional fees.

Cash flow

Net cash flow generated from operating activities was negative with USD 0.1 million for the period ended 31 December 2016 and negative with USD 5.2 million for H1 2017.

Net cash flow used in investment activities was USD 14.0 million in 2016 and USD 730.3 million during H1 2017. The investments were mainly the purchase of the Hercules Rigs and the Transocean Rigs as well as the payments made to Keppel related to the Newbuildings. During H1 2017, the Company also purchased securities issued by a rig company for approximately USD 5.5 million.

Net cash flow from financing activities was USD 152.2 million in 2016 and USD 791.2 million in H1 2017. The main drivers are the December Private Placement in 2016 and the March Private Placement in Q1 2017 generating gross proceeds of USD 155.0 million and USD 800.1 million, respectively.

Financial position

As of 31 December 2016, the Company had total assets of USD 158.1 million. As at 30 June 2017, the Company had total assets of USD 1,023.9 million. The increase in total assets was primarily driven by the completion of the Hercules Transaction and the May Transactions, in addition to an increase in cash and cash equivalents.

As of 31 December 2016, the Company's cash and cash equivalents amounted to USD 138.1 million. As of 30 June 2017, the Company's cash and cash equivalents amounted to USD 193.8 million.

Total liabilities were USD 0.2 million as of 31 December 2016 and USD 91.6 million as of 30 June 2017.

As of 31 December 2016, equity was USD 157.8 million which corresponded to an equity ratio of 99.8 percent. As of 30 June 2017, equity was USD 932.3 million which corresponded to an equity ratio of 91.1 percent.

9.4 Capitalisation and indebtedness

9.4.1 Capitalisation

The following table sets forth information about the Group's unaudited consolidated capitalization as of 30 June 2017 adjusted for the significant changes represented by the PPL Transaction and the October Private Placement up until the date of this Prospectus. Also see section 5.10 "The Newbuilding Contracts" for an overview of the commitments of the Company related to the Newbuilding Contracts.

USD 1,000s	30 June 2017 (Unaudited)	Changes related to the October Private Placement and the PPL Transaction	As adjusted (Unaudited)
Total current debt	-	-	-
Guaranteed	-	-	-
Secured	-	-	-
Unguaranteed/ Unsecured	91,628	-	91,628
	-	-	-
Total non-current debt			
Guaranteed	-	-	-
Secured	-	-	-
Unguaranteed/ Unsecured	-	-	-
Total debt (A)	**91,628**	**-**	**91,628**
Equity			
Shares	3,158	1,625 (1)	4,783
Additional paid in capital	946,723	639,625 (2)	1,586,348
Other comprehensive income	(202)	-	(202)
Accumulated deficit	(17,416)	-	(17,416)
Total equity (B)	**932,263**	**641,250**	**1,573,513**
Total capitalization (A+B)	**1,023,891**	**641,250**	**1,665,141**

Notes to the changes related to the October Private Placement and the PPL Transaction in the table above:

(1) Equity would have increased as a result of the October Private Placement issuing 162.5 million shares at par value USD 0.01.

(2) The increase in additional paid in capital is reflecting the gross proceeds of USD 650 million from the October Private Placement less USD 8.75 million in fees related to the October Private Placement and part of the gross proceeds recognised as increase in shares.

9.4.2 Indebtedness

As of 30 June 2017, the Company had no current or non-current indebtedness. Non-current indebtedness of approximately USD 782.6 million was incurred as a result of the PPL Transaction. The impact of the PPL Transaction on the Company's liquidity is shown in the following table which sets forth information about the Group's unaudited consolidated liquidity as of 30 June 2017 adjusted to illustrate the position had the October Private Placement and the PPL Transaction been completed at that time. Also see section 5.10 "The Newbuilding Contracts" for an overview of the commitments of the Company related to the Newbuilding Contracts.

USD 1,000s	**30 June 2017 (Unaudited)**	**Changes related to the October Private Placement and the PPL Transaction**	**As adjusted (Unaudited)**
(A) Cash and cash equivalents	193,789	138,800 (1)	332,589
(B) Trading securities	-	-	-
(C) Total liquidity (A)+(B)	**193,789**	**138,800**	**332,589**
(D) Restricted cash	**11,105**	-	**11,105**
(E) Total liquidity and restricted cash (C)+(D)	**204,894**	**138,800**	**343,694**
(F) Current bank debt	-	-	-
(G) Current portion of non-current debt	-	-	-
(H) Other current financial debt	-	-	-
(I) Current financial debt (F)+(G)+(H)	**-**	**-**	**-**
(J) Net current financial indebtedness (I)-(E)+(D)	**(193,789)**	**(138,800)**	**(332,589)**
(K) Non-current bank loans	-	-	-
(L) Bond issued	-	-	-
(M) Other non-current loans		-	-
(N) Non-current financial indebtedness (K)+(L)+(M)	-	-	-
(O) Net Financial Indebtedness (J)+(N)	**(193,789)**	**(138,800)**	**(332,589)**

Notes to the changes related to the October Private Placement and the PPL Transaction in the table above:

(1) Cash and cash equivalents would have increased with USD 138.8 million as a result of USD 650 million in gross proceeds from the October Private Placement less the first instalment of USD 502.2 million for the PPL Rigs acquired from PPL payable in October 2017 and USD 9 million in transaction costs.

The future capital expenditure commitments related to the Newbuildings are described in more detail in section 5.10 "The Newbuilding Contracts" above.

There have been no other material changes regarding capitalisation and indebtedness since 30 June 2017.

9.5 Working capital statement

The Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements in the 12 months commencing on the date of this Prospectus.

9.6 Contingent and indirect indebtedness

As of 30 June 2017 and as of the date of this Prospectus, the Group did not have any contingent or indirect indebtedness.

9.7 Trend information

The Group operates within the offshore contract drilling market which is a part of the international oil service industry. The fundamental driver of the offshore drilling market is the level of activity in the exploration, development and production of crude oil and natural gas. This is, in turn, a reflection of the level of investments made by the upstream oil and gas industry. Historically, the level of upstream capital expenditure has been driven by expectations for future oil and natural gas price. This correlation has been observed following the decline in crude oil prices in 2014. This had a negative impact on the demand across the oil service industry. The oil price fell from an average of USD 109/Bbl in H1 2014 to an average of USD 54/Bbl in 2015, and USD 45/Bbl in 2016. 2017 started off with an increase in oil prices before dropping throughout the second quarter and ending the quarter below USD 45/Bbl. The lower price along with uncertainty of future price development caused a material reduction in spending by E&P Companies through 2015/2016 and into 2017. This led to an abrupt reduction in demand for offshore drilling services in 2015 and onwards, with the number of working jack-up drilling rigs hitting a low of 284 rigs in February 2017. As a result, day rates for offshore drilling rigs have dropped significantly from the levels seen in 2014. Recently there has been an increase in tendering activity for jack-up drilling rigs in key regions lifting the working jack-up drilling rig count to around 300 rigs. Consequently, the jack-up rig count is almost back to the level post the 2008–2009 financial crisis and just below the long-term historical average of 322 rigs.

The Company is exposed to the market trends described above and in section 7.3 "The jack-up drilling rig segment", and was successful in winning its first drilling contract in July 2017 and won its second contract in September 2017. The Company's revenues and costs trends will therefore correlate closer with market trends as more Rigs secure employment.

9.8 **Investments**

9.8.1 Historical Investments

The following overview describes the Company's historical investments in the period covered by the historical financial information i.e. since the incorporation of the Company in August 2016.

On 23 January 2017 the Company completed delivery of the Hercules Rigs. Total consideration paid to Hercules for these was USD 130 million.

On 31 May 2017, the May Transactions were completed by way of formal transfer from Transocean to the Company of all of the shares in the eight companies which own the ten Transocean Rigs and the novation of the five Keppel Newbuilding Contracts to subsidiaries of the Company. The total value of the May Transactions was approximately USD 1.35 billion (including the base purchase price of USD 320 million to Transocean, the remaining payments to Keppel under the Keppel Newbuilding Contracts at signing of the Transocean Transaction and the estimated payment to Transocean under the Transocean Bareboat Charters).

The Company paid a deposit of USD 32 million to Transocean on 15 March 2017. Hence, the cash payment to Transocean on closing was approximately USD 289 million (representing the base purchase price of USD 320 million minus the deposit already paid, a net liability adjustment of USD 0.2 million, plus the estimated cost of inventory related to the Newbuildings in the amount of USD 0.3 million and a reimbursement for transfer taxes in the amount of USD 0.5 million).

Furthermore, the Company undertook to reimburse Transocean for the cost of moving two of the Transocean Rigs from Congo to Cameroon. This is estimated to approximately USD 3.6 million and will be payable upon receipt of an invoice from Transocean. This amount was at the time of closing of the May Transactions estimated to USD 4.6 million.

The Company has paid, and will continue to pay to Transocean an amount equal to the actual remaining revenue (after operating expenditures) received under the Transocean Bareboat Charters, one of which, namely the "Idun", has since been terminated.

During the period May to August 2017, the Company entered into forward contracts to purchase 7,800,000 shares in Atwood, a listed rig company, for a total amount of approximately USD 58 million with settlement in fourth quarter 2017.

During May to August 2017, the Company have purchased securities issued by a rig company for approximately USD 27 million.

9.8.2 Ongoing and future investments

9.8.2.1 The Keppel Newbuilding Contracts

The first instalment under each Keppel Newbuilding Contract has been paid by Transocean and is secured by an on demand refund guarantee from a reputable international bank which has been assigned to the Company under the Novation Agreements.

Pursuant to the amended terms of the Keppel Newbuilding Contracts, the Company paid aggregate pre-delivery instalments of a total of USD 275 million to Keppel on 12 June 2017. The amount was split

between instalments of USD 100 million for each of Hulls B364 and B365 and USD 25 million for each of Hulls B366, B367 and B368. Each instalment is secured by a parent guarantee from Keppel Offshore & Marine Limited. The Company will pay the remainder of the purchase price for each Keppel Newbuilding to Keppel upon the delivery thereof. The Company has agreed to make the final payment for Hull B364 on 29 December 2017 by way of a final pre-delivery instalment, to be secured by an automatic increase in the parent guarantee.

9.8.2.2 Delivery Financing – The Keppel Newbuildings

The Company has received an offer for delivery financing in an amount of up to USD 130 million for each of Hull B367 and Hull B368. The delivery financing is optional for each of these and will, if drawn, be secured by a first priority mortgage over each Newbuilding and a first priority assignment of the benefit of any payments under its insurance policies. The Company will have to provide a guarantee for the obligations of the Group Company making use of this offer and each of the borrower and the Company (as guarantor) will be bound by covenants and undertakings in line with market practise in the industry. The terms of the delivery financing are market compatible. Final terms must be agreed before the delivery financing is available to the Group. The Company will, prior to delivery of each Newbuilding from Keppel, consider the available options for the financing of the same.

The Company currently has sufficient cash available to pay for the final yard payments for Hull B364 tbn "Saga" and Hull B365 tbn "Skald". The Company will, as required, finance the remaining commitments related to the Keppel Newbuilding Contracts through a combination of cash flow from operations, Delivery Financing, other debt financings and/or further equity issues. The Company currently has very low interest bearing debt and consequently should have flexibility to obtain debt financing for parts of the remaining payments under the Keppel Newbuilding Contracts.

The remaining payments and expected delivery dates of the Keppel Newbuildings are set out in the table below:

Newbuilding	Design	Yard	Delivery instalment (USD million)	Delivery time
Hull B364 tbn Saga	KFELS Super B	Keppel Fels, Singapore	72.4	Q1 2018
Hull B365 tbn Skald	KFELS Super B	Keppel Fels, Singapore	72.4	Q2 2018
Hull B366 tbn Tivar	KFELS Super B	Keppel Fels, Singapore	147.4	Q2 2019
Hull B367 tbn Vale	KFELS Super B	Keppel Fels, Singapore	147.4	Q4 2020
Hull B368 tbn Var	KFELS Super B	Keppel Fels, Singapore	147.4	Q4 2020

9.8.2.3 The PPL Rig Transaction

The Company and PPL entered into a master agreement on 6 October 2017 with agreed forms of the PPL Sales Agreement and the PPL Newbuilding Contract scheduled thereto for the acquisition of nine

premium "Pacific Class 400" jack-up drilling rigs, six of which have been completed and three of which are under construction.

The agreed purchase price for each of the PPL Rigs is approximately USD 139.5 million aggregating to a total of approximately USD 1,255.5 million.

The PPL Cash Price shall be settled in two instalments, the first in an amount of USD 55.8 million is payable no later than 31 October 2017 and the balance of USD 83.7 million is payable on delivery of each PPL Rig.

PPL is entitled to a back-end fee, payable after five years from delivery, of USD 3,250,000 plus 25% of the increase in the market value of the relevant PPL Rig from 31 October 2017 until the repayment date less the relevant Group Company's net cost of ownership of the Rig.

9.8.2.4 Delivery Financing – The PPL Rigs

The Company has received an offer for the financing of the delivery payment for each of the PPL Rigs, i.e. an amount of USD 83.7 million per PPL Rig.

As set out in the offer, interest will accrue and can be paid as a bullet amount on repayment of the financing or at any earlier time. The term of the loan is five years and there are no instalments until the repayment date.

The obligation of each of the Group Companies which will acquire a PPL Rig to pay the PPL Instalment shall be secured by a parent guarantee from the Company in favour of PPL.

The remaining payments and expected delivery dates of the PPL Rigs are set out in the table below:

Rig	Design	Yard	Initial payment (USD million)	Delivery instalment (USD million)	Delivery time
Hull P2041	PPL Pacific Class 400	PPL, Singapore	55.8	83.7	Q4 2017
Hull P2043	PPL Pacific Class 400	PPL, Singapore	55.8	83.7	Q1 2018
Hull P2045	PPL Pacific Class 400	PPL, Singapore	55.8	83.7	Q1 2018
Hull P2046	PPL Pacific Class 400	PPL, Singapore	55.8	83.7	Q2 2018
Hull P2053	PPL Pacific Class 400	PPL, Singapore	55.8	83.7	Q2 2018
Hull P2049	PPL Pacific Class 400	PPL, Singapore	55.8	83.7	Q3 2018
Hull P2047	PPL Pacific Class 400	PPL, Singapore	55.8	83.7	Q3 2018
Hull P2048	PPL Pacific Class 400	PPL, Singapore	55.8	83.7	Q4 2018
Hull P2052	PPL Pacific Class 400	PPL, Singapore	55.8	83.7	Q1 2019

9.8.3 Capital resources

As of 30 June 2017, the Company's cash and cash equivalents amounted to USD 193.8 million. The Company has, as a consequence of the October Private Placement, received gross proceeds of USD 650 million on 11 October 2017. A majority of the proceeds from the October Private Placement will be used to pay the aggregate initial payment to PPL of USD 502 million. Related to the PPL Transaction, the Company will incur non-current debt of USD 782.6 million. Other than this liability, the Company does not currently have any debt facilities.

As shown in the table in section 9.2.1 "Selected income information", the Company recorded negative results in 2016 and H1 2017. The material factors impacting the operating results described in section 9.3.2 "Material factors affecting the Company's results" will decide whether the Company's operating results will turn positive and generate positive cash flow which can fund the ongoing and future investments of the Group as described in section 9.8.2 "Ongoing and future investments".

The Company will, if required, finance its operations and any remaining commitments related to the Newbuilding Contracts through further equity issues or debt financing.

9.9 **Auditor**

The Company's auditor is PricewaterhouseCoopers AS with registration number 987 009 713 and business address at Dronning Eufemias gate 8, 0191 Oslo, Norway. PwC is a member of Den Norske Revisorforening (The Norwegian Institute of Public Accountants). PwC has acted as the Company's

statutory auditor since the Company`s incorporation. Accordingly, no auditor of the Group has resigned, been removed or failed to be re-appointed during the period covered by the historical financial information discussed herein.

The auditor's report to the Annual Financial Statements is incorporated by reference to the Prospectus. Other than this report, neither PwC nor any other auditor has audited or reviewed in accounts of the Group or produced any report on any other information provided in this Prospectus.

9.10 Research and development, patents and licenses

The Company has not been engaged in any research and development activities since its incorporation.

The Group does not own any material patents nor does it depend on any material third party licenses.

9.11 Significant changes in financial and trading position after 30 June 2017

During July and August 2017: The Company entered into forward contracts to purchase 7,800,000 shares in Atwood, a listed rig company. The total position is USD 58 million with settlement in Q4 2017.

During August 2017: The Company have purchased additional securities issued by a rig company for approximately USD 22 million.

In July and October 2017: The Company granted 2.75 million share options to new employees with strike price of USD 3.50. The Company granted a further 1.8 million shares options to key employees with strike price of USD 4.00. The option period is 5 years. The options shall vest with 1/3 on each of the three first anniversaries in the option period.

July 2017: The Company bought 2,470,000 Shares in the market at NOK 27.50 per Share to be held in treasury.

August 2017: The Company transferred 500,000 of the Shares held in treasury to Simon William Johnson as part of his remuneration package.

25 August 2017: The general meeting approved an increase in the authorized share capital to USD 5,250,000 represented by 525,000,000 Shares at par value of USD 0.01.

12 September 2017, the Company signed a letter of intent with BWE for a drilling campaign offshore Gabon.

6 October 2017: The Company and Schlumberger signed an enhanced collaboration agreement.

6 October 2017: The Company signed a master agreement for the acquisition of nine premium jack-up rigs from PPL with a consideration of approximately USD 1.3 billion.

6 October 2017: The Company issued a further 4.7 million Warrants to Schlumberger.

6 October 2017: The Company agreed to repurchase all of the Warrants held by Schlumberger for USD 4.7 million (USD 0.5 per Warrant). Consequently, the Warrants were cancelled.

9 October 2017: The Company completed a private placement of 162,500,000 New Shares at a subscription price of USD 4.00 per share raising gross proceeds of USD 650 million.

18 October 2017: The Company signed the Collaboration Agreement with Valiant and the equity transfer documents with VOCL.

Apart from the above, there has been no significant change in the financial or trading position of the Group since 30 June 2017.

9.12 **Significant gross change**

The Hercules Transaction, the May Transactions and the PPL Transaction each resulted in "a significant gross change" for the Company, as defined in Commission Regulation (EC) No. 809/2004 of 29 April 2004 which sets out the requirements to the pro forma financial information which needs to be included in a prospectus. The Hercules Transaction was completed on 23 January 2017 and the May Transaction was completed on 31 May 2017. Consequently the acquisition of the Hercules Rigs, the Transocean Rigs and the Keppel Newbuilding Contracts are reflected in the Group's balance sheet as of 30 June 2017.

No quantitative pro forma profit and loss information has been prepared as if the Hercules Transaction, the May Transactions and the PPL Transaction completed on 1 January 2017 or earlier as such financial information is not available to the Company and is as the Group determined that the profit and loss information pre-dating 31 May 2017 was of limited relevance for an understanding of the Group's prospects. This was because:

- the Hercules Transaction was completed as an asset transaction without any entities holding historical financial information.
- each Transocean Rig acquired is owned by a single purpose entity where the rig has been employed on an internal bareboat agreement with other Transocean owned companies which operated the Rigs under a contract with Transocean's external customers. As a result, the financial statements for the acquired entities do not reflect activities with external customers.
- although three of the Transocean Rigs acquired include contracts with external parties, the actual remaining revenues (after operating expenses) generated thereunder will accrue to Transocean. Prior to the closing of the Transocean Transaction the activities related to these three Transocean Rigs have been accounted for by other Transocean entities which were not acquired by the Company and accordingly no historical financial information has been made available to the Group.
- the Keppel Transaction only have an immaterial profit and loss impact as this is capital expenditure.
- the PPL Transaction is an asset transaction. The PPL Rigs have not operated and there is, accordingly, no historical financial information available for these.

The impact on the profit and loss of the Hercules Transaction, the May Transactions and the PPL Transaction is described in section 9.13 "Description of the impact on the profit and loss for H1 2017 if the Hercules Transaction, the May Transactions and the PPL Transaction completed on 1 January 2017 or earlier" below.

The impact on the balance sheet of the PPL Transaction is described in section 9.14 "Description of the impact on the balance sheet as of 30 June 2017 if the PPL Transaction completed on 1 January 2017 or earlier" below.

9.13 Description of the impact on the profit and loss for H1 2017 if the Hercules Transaction, the May Transactions and the PPL Transaction completed on 1 January 2017 or earlier

Three of the Transocean Rigs were on contract during H1 2017. The Company is, pursuant to the terms of the Transocean Transaction, obligated to pay an amount equal to the amounts received by the owners of the Thailand Rigs under the Transocean Bareboat Charters to Transocean. The Hercules Rigs were stacked during H1 2017. Consequently, Borr Drilling would not have any revenues in H1 2017 if the Hercules Transaction and the Transocean Transaction would have closed on or prior to 1 January 2017.

If the Hercules Transaction and the Transocean Transaction completed on 1 January 2017 or earlier, the Company would have accounted for rig operating and maintenance expenses, depreciation and general and administrative expenses. The rig operating and maintenance expenses, depreciation and general and administrative expenses for the Hercules Rigs after completion of the Hercules Transaction were recorded in the H1 2017 figures of the Company for the period from 23 January 2017 to 31 June 2017. The expenses included in the H1 2017 figures for this period are representable for the period prior to 23 January 2017, adjusted for the number of days.

The rig operating and maintenance expenses for the Transaction Rigs mainly consist of stacking costs which are described in section 5.9 “Stacking and reactivation of Rigs”. The Transocean Rigs are depreciated down to the steel value over the remaining lifetime of the rigs which on average is 17 years (19 years excluding “Fonn”). The calculated depreciation in H1 2017 would have amounted to approximately USD 13 million assuming that the Transocean Transaction closed on 1 January 2017. In addition, if the Transocean Transaction would have incurred on 1 January 2017, Borr Drilling would have incurred slightly higher general and administrative expenses in connection with management of the Transocean Rigs. However, since three of contracts were still managed by Transocean and that the remainder of the Transocean Rigs were stacked, such costs are expected to be limited.

The Keppel Transaction and the PPL Transaction would not incur any material profit and loss effect in H1 2017 if the Keppel Transaction and the PPL Transaction would have been completed on or prior to 1 January 2017.

9.14 Description of the impact on the balance sheet as of 30 June 2017 if the PPL Transaction completed on 1 January 2017 or earlier

The following balance sheet items as of 30 June 2017 would have been directly impacted if the PPL Transaction was completed on 1 January 2017 or earlier:

- Cash and cash equivalents would have increased with approximately USD 138.8 million as a result of USD 650 million in gross proceeds from the October Private Placement less the first instalment of approximately USD 502.2 million payable in October 2017 for the PPL Rigs and transaction costs of USD 9 million.
- Newbuildings would have increased with an amount equal to the first instalment of approximately USD 502.2 million.

10. CORPORATE INFORMATION, SHARE CAPITAL AND SHAREHOLDER MATTER

10.1 General corporate information

The Company was incorporated by Taran which has its address at c/o Meritus Trust Company Limited, 19 Par-la-Ville Road Hamilton HM11, Bermuda, on 8 August 2016 under the name "Magni Drilling Limited". Following a name change on 13 December 2016, the Company's legal name is Borr Drilling Limited, and the Company's commercial name is Borr Drilling. Its official Bermuda registration number is 51741. The Company is incorporated in Bermuda in accordance with, and operates under, Bermuda law. The registered address of the Company is Thistle House, 4 Burnaby Street, Hamilton HM 11, Bermuda. The Company's website is "www.borrdrilling.com". The content of www.borrdrilling.com is not incorporated by reference into and does not otherwise form part of this Prospectus.

Beneficial ownership of the Shares is recorded in book-entry form in the VPS on ISIN BMG 575071086 and with respect to the Existing Shares on ISIN 575071086. The New Shares have ISIN 1466R1245 but will change to the ISIN of the Existing Shares on or about 20 October 2017. The Company's registrar is DNB, Securities Services, Dronning Eufemias gate 30, NO 0191 Oslo, Norway.

The Company has one class of shares. All Shares have equal voting rights and each Share carries one vote in the Company's shareholder meeting. Other than the options and Warrants described in section 10.6 "Convertible instruments, warrants and share options", the Company has not issued any share options or other rights to subscribe for or acquire new shares issued by the Company.

10.2 Legal structure

The Company is a holding company and will not have any other assets than shares in and loans to its subsidiaries. The operations of the Group are and will continue to be carried out by individual Group Companies.

Each Rig and Newbuilding Contract is owned by a Group Company whose purpose is to hold and operate such asset(s) only, see the chart below. The preferred jurisdiction for these subsidiaries is the Marshall Islands. The Company thus intends, over time, to move ownership to the Rigs currently owned by Group Companies in other jurisdictions to new subsidiaries in the Marshall Islands.

Whenever employment of a Rig is secured, a local operating entity (a new Group Company or a branch of a Group Company) will be established in the jurisdiction where such employment is located and, as a guiding principle, the relevant rig bareboat chartered to this entity.

The Company has also incorporated several subsidiaries to provide management services to the Group as further described in section 5.12 "Management structure" below.

The Company has incorporated 9 subsidiaries in the Marshall Islands, each of which will become the owner of a PPL Rig under the PPL SPA or a PPL Newbuilding Contract.

These subsidiaries are named:

Borr Jack-Up XVII Inc.

Borr Jack-Up XVIII Inc.

Borr Jack-Up XIX Inc.

Borr Jack-Up XX Inc.

Borr Jack-Up XXI Inc.

Borr Jack-Up XXII Inc.

Borr Jack-Up XXIII Inc.

Borr Jack-Up XXIV Inc.

Borr Jack-Up XXV Inc.

The Company has furthermore recently incorporated 6 other subsidiaries in the Marshall Islands:

Borr Jack-Up XXVI Inc.

Borr Jack-Up XXVII Inc.

Borr Jack-Up XXVIII Inc.

Borr Jack-Up XXIX Inc.

Borr Jack-Up XXX Inc.

Borr Jack-Up XXXI Inc.

The following table sets out information about the Company's other subsidiaries:

Company	Country of incorporation	Field of activity	Per cent holding:
Borr Jack-Up I Inc.	Marshall Islands	The owner of "Frigg"	100
Borr Jack-Up II Inc.	Marshall Islands	The owner of "Ran"	100
Borr Jack-Up III Inc.	Marshall Islands	Buyer under the Newbuilding Contract for Hull B364 (tbn "Saga")	100
Borr Jack-Up IV Inc.	Marshall Islands	Buyer under the Newbuilding Contract for Hull B365 (tbn "Skald")	100
Borr Jack-Up V Inc.	Marshall Islands	Buyer under the Newbuilding Contract for Hull B366 (tbn "Tivar")	100
Borr Jack-Up VI Inc.	Marshall Islands	Buyer under the Newbuilding Contract for Hull B367 (tbn "Vale")	100
Borr Jack-Up VII Inc.	Marshall Islands	Buyer under the Newbuilding Contract for Hull B368 (tbn "Var")	100
Constellation II Ltd. (tbn "Borr Jack-Up VII Ltd.)	Cayman Islands	The owner of "Balder"	100
Borr Jack-Up IX Ltd.	Bahamas	The owner of "Baug"	100
Borr Jack-Up X Ltd.	Cayman Islands	The owner of "Idun"	100
Borr Jack-Up XI Ltd.	Cayman Islands	The owner of "Mist"	100
Borr Jack-Up XII Ltd.	Cayman Islands	The owner of "Atla"	100
Borr Jack-Up XIII Ltd.	Cayman Islands	The owner of "Brage" and "Fonn"	100
Borr Jack-Up XIV Inc.	British Virgin Islands	The owner of "Norve"	100
Borr Jack-Up XV Ltd.	Cayman Islands	The owner of "Odin"	100
Borr Jack-Up XVI Inc.	Marshall Islands	The owner of "Eir"	100
Borr Drilling Management DMCC	Dubai, UAE	Provides management services to the Group.	100
Borr Drilling Management AS	Norway	Provides management services to the Group.	100
Borr Drilling Management (UK) Ltd.	United Kingdom	Provides management services to the Group.	100
Borr Drilling Equipment Pool Inc	Marshall Islands	The owner of certain spare parts.	100
Borr Nigeria Operations Inc	Marshall Islands	Designated as the operating company for the possible drilling contract with Total Nigeria.	100

10.3 **Authorized and issued share capital**

As of the date of this Prospectus, the Company's authorized share capital is USD 5,250,000 represented by 5,250,000,000 Shares with a par value of USD 0.01. The Company has, as per the date hereof, issued 448,292,500 Shares, representing a paid in share capital of USD 4,482,925 in total. All the Shares have been issued in accordance with the requirements of the Bermuda Companies Act and the Bye-laws and are fully paid.

The Board has been authorised to issue further shares up to the number of shares representing the authorized share capital.

Likewise, the Board is entitled to propose and issue further Warrants and loans convertible into new shares limited to the available authorised but unissued share capital at any time.

The table below shows the development in the Company's authorised and issued share capital over the period from the incorporation of the Company to the date hereof:

Date	Type of change	Par value (USD)	Authorised capital (USD)	Issued capital (USD)	Shares in issue	Price paid per share (USD)
8 August 2016	Initial share issue	10.00	50	50	5	10.00
6 December 2016	Change in par value. Increase in authorised capital	0.01	2,000,000	50	5,000	-
9 December 2016	Private placement 77,500,000 Shares	0.01	2,000,000	775,050	77,505,000	2.00
20 March 2017	Exercise of Warrants 5,812,500 new Shares	0.01	2,000,000	833,175	83,317,500	0.01
21 March 2017	Private placement 228,600,000 new Shares	0.01	2,000,000	3,119,175	311,917,500	3.50
23 March 2017	Exercise of Warrants 3,875,000 new Shares	0.01	4,000,000	3,157,925	315,792,500	0.01
24 March 2017	Increase in authorised capital	0.01	4,000,000	3,157,925	315,792,500	-
25 August 2017	Increase in authorised capital	0.01	5,250,000	3,157,925	315,792,500	-
10 October 2017	Private Placement of 162,500,000 new Shares	0.01	5,250,000	4,782,925	478,292,500	4.00

10.4 Treasury shares

The Company has, pursuant to the Bye-laws, the ability to acquire and own Shares. As of the date hereof the Company holds 1,970,000 Shares in treasury. The face and book value of these shares are USD 19,700 and approximately USD 6.8 million, respectively.

10.5 Major shareholders

As of 18 October 2017, the Company had 2,154 shareholders. The following table provides an overview of the 20 largest shareholders of the Company as of said date.

	Shareholder	Type	Shares	Ownership
1	EUROCLEAR BANK S.A./N.V.	NOM	129,254,128	27.0 %
2	SCHLUMBERGER OILFIELD HOLDINGS LTD		75,658,500	15.8 %
3	CLEARSTREAM BANKING S.A.	NOM	21,554,023	4.5 %
4	GOLDMAN SACHS & CO. LLC	NOM	18,781,247	3.9 %
5	RASMUSSENGRUPPEN AS		17,071,440	3.6 %
6	TARAN HOLDINGS LTD		15,907,900	3.3 %
7	UBON PARTNERS AS		11,126,800	2.3 %
8	GOLDMAN SACHS INTERNATIONAL	NOM	10,585,770	2.2 %
9	FID ADV NEW INSIGHTS FD-SUB B		10,172,000	2.1 %
10	BNP PARIBAS	NOM	8,750,000	1.8 %
11	BROWN BROTHERS HARRIMAN (LUX.) SCA	NOM	8,113,785	1.7 %
12	MAGNI PARTNERS(BERMUDA) LTD		7,750,000	1.6 %
13	FOLKETRYGDFONDET		7,500,000	1.6 %
14	FIDELITY FUNDS		7,496,000	1.6 %
15	TARAN HOLDINGS LTD		6,677,000	1.4 %
16	RBC INVESTOR SERVICES BANK S.A.	NOM	6,486,532	1.4 %
17	TITAN OPPORTUNITIES FUND IC SICAV		6,122,340	1.3 %
18	DNB LUXEMBOURG S.A.	NOM	5,107,200	1.1 %
19	MIDELFART CAPITAL AS		4,642,850	1.0 %
20	THE BANK OF NEW YORK MELLON SA/NV	NOM	4,555,148	1.0 %
	Sum (20 shareholders)		**383,312,663**	**80.1 %**
	Other (2,134 shareholders)		94,979,837	19.9 %
	Total (2,154 shareholders)		**478,292,500**	**100.0 %**

Shareholders holding/controlling 5% or more of the Shares have an obligation to notify the market of this according to the Norwegian Securities Trading Act, cfr. Section 11.5 “Disclosure obligations”. The Company is not aware of any persons or entities, except for those set out below, who, directly or indirectly, own and/or control more than 5% of the Shares as of the date of this Prospectus.

The Company is, as of the date hereof, aware of the following major interests in the Shares:

- Schlumberger owns 75,658,500 Shares which represent 15.8% of the total Shares in issue.
- Mr. Tor Olav Trøim, the Chairman of the Board, holds 37,410,588 Shares representing 7.8% of the total Shares in issue through his affiliated company Magni Partners and two trusts established for the benefit of Mr Trøim, Taran and Drew.
- According to a filing made on 1 September 2017, FMR LLC holds 26,910,958 Shares representing 5.6% of the total Shares in issue.

The Company is not aware of any other persons or entities who, directly or indirectly, jointly or severally, own or control more than 5% of the Shares. The Company is not aware of any arrangements

that may result in, prevent, or restrict a change in control over the Company. The Company is not aware of any shareholders' agreements or other contractual arrangements among its shareholders.

The Shares have not been subject to any public takeover bids.

Further, no shareholders of the Company are, to the Company's knowledge, bound by any lock-up obligations or arrangements for their Shares.

10.6 Convertible instruments, warrants and share options

On 15 June 2017, the Company granted 4,380,000 options to employees and directors of the Group. The options were granted with a strike price of USD 3.50. The option period is 5 years from 15 June 2017 and shall vest with 1/3 on each of the three first anniversaries.

In July and October 2017, the Company granted an additional 2,875,000 options to employees of the Group with a strike price of USD 3.50. The Company granted a further 1,800,000 options to key employees with a strike price of USD 4.00. The option period is 5 years. The options shall vest with 1/3 on each of the three first anniversaries of this date.

On 6 October 2017 the Company agreed to repurchase all of 9,473,774 Warrants held by Schlumberger at a price of USD 0.50 per Warrant, USD 4.7 million in total. Consequently, all Warrants were then cancelled.

See section 8.3.4 "Long Term Incentive Plan for the senior management team and key employees and directors" for details on the granting of options to subscribe to new Shares for senior executive team, key employees and directors.

10.7 Dividends and dividend policy

10.7.1 Dividend policy

The Company has not distributed any dividends since its incorporation and does not intend to distribute any dividends in the near future.

10.7.2 Legal constraints on the distribution of dividends

A Bermuda company may not, as per Section 54 of the Bermuda Companies Act, declare or pay a dividend, or make a distribution out of contributed surplus equity, if there are reasonable grounds for believing that (i) the company is, or would after the payment be, unable to pay its liabilities as they become due; or (ii) the realizable value of the company's assets would thereby be less than its liabilities or in circumstances that would result in an unlawful reduction of share capital or share premium. "**Contributed Surplus**" is for the purpose of Section 54 of the Bermuda Companies Act to include proceeds arising from donated shares, credits resulting from the redemption or conversion of shares at less than the amount set up as nominal capital and donations of cash and other assets to the Company.

Under the Bye-laws, the Board may declare dividends and distributions without the approval of the shareholders in general meetings.

10.7.3 Manner of dividend payments

Although any future payments of dividends on the Shares will be denominated in USD, such dividends will be distributed through the VPS in NOK. Investors whose registered address in the VPS is outside Norway and who have not supplied the VPS with details of any NOK account, will receive dividends by cheque in their local currency based on the prevailing exchange rate between NOK and this. If it is not, in the sole opinion of the Registrar, practical to issue a cheque in a local currency, a cheque will be issued in USD. The issuing and mailing of cheques will be executed in accordance with the standard procedures of the Registrar. The exchange rate(s) that is applied will be DNB's rate on the date of issuance. Dividends will be credited automatically to the VPS registered shareholders' NOK accounts, or in lieu of such registered NOK account, by cheque, without the need for shareholders to present documentation proving ownership of the Shares registered in their name in the VPS.

10.8 Summary of certain rights of the Company's shareholders under Bermuda law, the Memorandum of Association and the Bye-laws

Objects pursuant to the Memorandum of Association

Pursuant to clause 6 of the Memorandum of Association, the objects for which the Company was formed and incorporated are unrestricted.

Special shareholder meetings

The Bye-laws provide that the Board may, whenever it thinks fit, and shall, when required by the Bermuda Companies Act, convene a special general meeting of the shareholders.

Under the Bermuda Companies Act, a special general meeting of shareholders must be convened by the board of directors of a company on the requisition of shareholders holding not less than one-tenth of the paid-up capital of the company as at the date the request is made.

Shareholder action by written consent

The Bermuda Companies Act provides that, except in the case of the removal of an auditor or director and subject to a company's bye-laws, anything which may be done by resolution of a company in a general meeting or by resolution of a meeting of any class of the members of a company, may be done by resolution in writing. The Bye-laws provide that such resolution must be signed by a simple majority of all of the shareholders (or such greater majority as may be required by the Bermuda Companies Act or the Bye-laws).

Shareholder meeting quorum; voting requirement; voting rights

The Bye-laws provide that, save as otherwise provided, the quorum at any general meeting shall be two or more Shareholders, either present in person or represented by proxy, holding shares carrying voting rights entitled to be exercised at such meeting. Except where a greater majority is required by the Bermuda Companies Act or the Bye-laws, any question proposed for consideration at any general meeting shall be decided on by a simple majority of votes cast provided that any resolution to approve an amalgamation or merger shall be decided on by a simple majority of votes cast and the quorum necessary for such meeting shall be two persons holding, or representing by proxy, at least 33 1/3% of the issued shares of the Company. There is no cumulative voting. Every shareholder of the Company who is present in person or by proxy has one vote for every Share of which he or she is the holder. The Company has not, pursuant to its bye-laws, applicable laws or regulations made pursuant to law, been given a discretionary right to bar the exercise of voting rights.

Notice of shareholder meetings

The Bermuda Companies Act requires that all companies hold a general meeting at least once in each calendar year (which meeting shall be referred to as the "annual general meeting") and that shareholders be given at least five days' advance notice of a general meeting, but the accidental omission to give notice to, or the non-receipt of a notice of a meeting by, any person entitled to receive notice does not invalidate the proceedings of the meeting.

The Bye-laws provide that an annual and special shareholder meeting shall be called by not less than 7 days' notice in writing, and that the notice period shall be exclusive of the day on which the notice is served or deemed to be served and of the day on which the meeting to which it relates is to be held. A notice is deemed to be received two days after the date on which it is sent.

If a general meeting is called on shorter notice, it will be deemed to have been properly called if it is so agreed

(i) in the case of a meeting called as an annual general meeting by all the shareholders entitled to attend and vote thereat; and
(ii) in the case of any other special general meeting by a majority in number of the shareholders having the right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the shares giving that right.

No shareholder is entitled to attend any general meeting by proxy unless a proxy signed by or on behalf of the shareholder addressed to the company secretary is deposited (by post, courier, facsimile transmission or other electronic means) at the Company's registered office at least 48 hours prior to the time appointed for holding the general meeting.

Notice of shareholder proposals

Under the Bermuda Companies Act, shareholders holding not less than one-twentieth of the total voting rights of all shareholders having a right to vote at the meeting to which the requisition relates, or not less than 100 shareholders, may, at their own expense (unless the company otherwise resolves), require a company to give notice of any resolution which may properly be moved and is intended to be moved at the next annual general meeting and/or to circulate a statement (of not more than 1000 words) in respect of any matter referred to in a proposed resolution or any business to be conducted at the annual general meeting.

Board meeting quorum; voting requirement

The Bye-laws provide that the quorum necessary for the transaction of the business of the Board may, subject to the requirements of the Bermuda Companies Act, be fixed by the Board and, unless so fixed at any other number, shall be a majority of the Directors present in person or by proxy. Questions arising at any meeting of the Board shall be determined by a majority of votes cast. In the event of an equality of votes, the motion shall be deemed to have been lost.

Number of Directors

Under the Bermuda Companies Act, the minimum number of directors on the board of directors of a company is one. The minimum number of directors may be set higher in the bye-laws of a company (and is set at two by the Bye-laws. The maximum number of directors may be set by the shareholders at a general meeting or in accordance with the bye-laws of the relevant company. The maximum number of directors is usually fixed by the shareholders in a general meeting. Only the shareholders may increase or decrease the number of directors last approved by the shareholders.

Removal of Directors

The Bye-laws and the Bermuda Companies Act provide that the shareholders of the Company may, at a special general meeting called for that purpose, remove any Director. Any Director whose removal is to be considered at such a special general meeting is entitled to receive not less than 14 days' notice and shall be entitled to be heard at the meeting.

Newly created directorships and vacancies on the Board

Under the Bermuda Companies Act, the directors shall be elected at each annual general meeting of the company or elected or appointed by the shareholders in such other manner and for such term as may be provided in the bye-laws for the relevant company. Additionally, a vacancy created by the removal of a director at a special general meeting may be filled at that meeting by the election of another director or in the absence of such election, by the other directors. Unless the bye-laws of a company provide otherwise (which the Bye-laws do not) and provided there remains a quorum of directors in office, the remaining directors may fill a casual vacancy on the board. Under the Bye-laws, any vacancy in the Board may be filled by the election or appointment by the shareholders at a general meeting, and the Board may also fill any vacancy in the number left unfilled. A Director so appointed will hold office until the next annual general meeting of the Company.

Interested Directors

Under the Bye-laws, any Director may hold any other office or place of profit with the Company (except that of auditor) for such period and on such terms as the Board may determine and shall be entitled to remuneration as if such Director were not a Director. So long as a Director declares the nature of his interest at the first opportunity at a meeting of the Board or by writing to the Board as required by the Bermuda Companies Act, a Director shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any office or employment to which the Bye-laws allow him to be appointed or from any transaction or arrangement in which the Bye-laws allow him to be interested, and no such transaction or arrangement shall be liable to be avoided on the ground of any interest or benefit, and such Director shall count in the quorum and be able to vote at any meeting of the Board at which the matters in question are to be considered.

Duties of the Directors

The Bermuda Companies Act also imposes a duty on directors and officers of a Bermuda company to: (i) act honestly and in good faith with a view to the best interests of the company they serve; and (ii) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

The Bye-laws provide that the Company's business is to be managed and conducted by the Board.

At common law, members of a board of directors owe a fiduciary duty to the company they serve to act in good faith in their dealings with or on behalf of such company and exercise their powers and fulfil the duties of their office honestly. This duty includes the following elements:

(i) a duty not to make a personal profit from opportunities that arise from the office of director;

(ii) a duty to avoid conflicts of interest; and

(iii) a duty to exercise powers for the purpose for which such powers were intended.

The Bermuda Companies Act provides that, if a director or officer has an interest in a material contract or proposed material contract with a company or any of its subsidiaries or has a material interest in any person that is a party to such a contract, such director or officer must disclose the nature of that interest at the first opportunity either at a meeting of directors or in writing to the board of directors. In addition, the Bermuda Companies Act imposes various duties on directors and officers of a company with respect to certain matters of management and administration of such company.

Director liability

The Bye-laws provide that no Director or alternate director or officer of the Company shall be liable for the acts, receipts, neglects, or defaults of any other such person or any person involved in the formation of the Company, or for any loss or expense incurred by the Company through the insufficiency or deficiency of title to any property acquired by the Company, or for the insufficiency of deficiency of any security in or upon which any of the monies of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency, or tortious act of any person with whom any monies, securities, or effects shall be deposited, or for any loss occasioned by any error of judgment, omission, default, or oversight on his part, or for any other loss, damage or misfortune whatever which shall happen in relation to the execution of his duties, or supposed duties, to the Company or otherwise in relation thereto.

The Bermuda Companies Act permits a company to exempt or indemnify any director, officer or auditor from loss or liability in circumstances where it is permissible for the company to indemnify such director, officer or auditor, as indicated in "Indemnification of Directors and officers" below.

Indemnification of Directors and officers

The Bermuda Companies Act permits a company to indemnify its directors, officers and auditor with respect to any loss arising or liability attaching to such person by virtue of any rule of law concerning any negligence, default, breach of duty, or breach of trust of which the director, officer or auditor may be guilty in relation to the company they serve or any of its subsidiaries; provided that the company may not indemnify a director, officer or auditor against any liability arising out of his or her fraud or dishonesty. The Bermuda Companies Act also permits a company to indemnify a director, officer or auditor against liability incurred in defending any civil or criminal proceedings in which judgment is given in his or her favour or in which he or she is acquitted, or when the Supreme Court of Bermuda grants relief to such director, officer or auditor. The Bermuda Companies Act permits a company to advance moneys to a director, officer or auditor to defend civil or criminal proceedings against them on condition that these moneys are repaid if the allegation of fraud or dishonesty is proved against them. The Supreme Court of Bermuda may relieve a director, officer or auditor from liability for negligence, default, breach of duty or breach of trust if it appears to the court that such director, officer or auditor has acted honestly and reasonably and, having regard to all the circumstances of the case, ought fairly to be excused.

The Bye-laws provide that every Director, alternate director, officer, person or member of a duly authorized committee of the Company, resident representative of the Company and their respective heirs, executors or any administrator of the Company as well as current and former directors and officers of the Company's subsidiaries, shall be indemnified and held harmless out of the funds of the Company to the fullest extent permitted by Bermuda law against all liabilities, loss, damage or expense (including but not limited to liabilities under contract, tort and statute or any applicable foreign law or regulation and all reasonable legal and other costs and expenses properly payable) incurred or suffered by him or her as such Director, alternate director, officer, person or member of a duly authorised committee of the Company or resident representative, and the indemnity contained in the Bye-law shall

extend to any person acting as such Director, alternate director, officer, person or committee member or resident representative in the reasonable belief that he or she has been so appointed or elected notwithstanding any defect in such appointment or election. Such indemnity shall not extend to any matter which would render it void pursuant to the Bermuda Companies Act.

Variation of shareholders rights
As previously stated, the Company currently has one class of shares.

The Bye-laws provide that, subject to the Bermuda Companies Act, all or any of the rights for the time being attached to any class of shares (the Shares included) for the time being issued may, from time to time, be altered or abrogated with the consent in writing of the holders of not less than 75% in nominal value of the Shares at a general meeting voting in person or by proxy. The Bye-laws specify that the rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be altered by the creation or issue of further shares ranking pari passu therewith.

Amendment of the Memorandum of Association
The Bermuda Companies Act provides that the memorandum of association of a company may be amended by a resolution passed at a general meeting of shareholders of which due notice has been given. Except in the case of an amendment that alters or reduces a company's share capital, the holders of an aggregate of not less than 20% in par value of a company's issued share capital or any class thereof, or the holders of not less than 20% of a company's debentures entitled to object to amendments to the memorandum of association, have the right to apply to the Bermuda Supreme Court for an annulment of any amendment to the memorandum of association adopted by shareholders at any general meeting. Upon such application, the alteration will not have effect until it is confirmed by the Bermuda Supreme Court. An application for an annulment of an amendment to the memorandum of association passed in accordance with the Bermuda Companies Act may be made on behalf of persons entitled to make the application by one or more of their number as they may appoint in writing for the purpose. No application may be made by shareholders voting in favour of the amendment.

Amendment of the Bye-laws
Under Bermuda law, the adoption of a company's bye-laws and any rescission, alteration, or other amendment thereof must be approved by a resolution of the board of directors and by a resolution of the shareholders, provided that any such amendment shall only become operative to the extent that it has been confirmed by a resolution of the shareholders. The Bye-laws provide a resolution of the shareholders to approve the adoption or amendment of the Bye-Laws shall be decided on by a simple majority of votes cast.

Inspection of books and records; shareholder lists
The Bermuda Companies Act provides the general public with a right of inspection of a Bermuda company's public documents at the office of the Registrar of Companies in Bermuda. These documents include the Company's Memorandum of Association and all amendments thereto. The Bermuda Companies Act also provides shareholders of a Bermuda company with a right of inspection of a company's bye-laws, minutes of general (shareholder) meetings and the audited financial statements. The Bermuda register of shareholders is also open to inspection by the members of the public free of charge. A Bermuda company is required to maintain its share register at its registered office in Bermuda or upon giving notice to the Registrar of Companies at such other place in Bermuda notified to the Registrar of Companies. A company may, in certain circumstances, establish one or more branch

registers outside of Bermuda. A Bermuda company is required to keep at its registered office a register of its directors and officers that is open for inspection by members of the public without charge. The Bermuda Companies Act does not, however, provide a general right for shareholders to inspect or obtain copies of any other corporate records.

Amalgamations, mergers and business combinations

The Bermuda Companies Act is silent on whether a company's shareholders are required to approve a sale, lease or exchange of all or substantially all of a company's property and assets. The Bermuda Companies Act does require, however, that shareholders approve amalgamations and mergers.

Pursuant to the Bermuda Companies Act, an amalgamation or merger of two or more non-affiliated companies requires approval of the board of directors and the approval of the shareholders of each Bermuda company by a three-fourths majority and the quorum for such a meeting must be two persons holding or representing by proxy more than one-third of the issued shares of the company, unless the bye-laws otherwise provide (which the Bye-laws do, as set out below). For purposes of approval of an amalgamation or merger, all shares whether or not otherwise entitled to vote, carry the right to vote. A separate vote of a class of shares is required if the rights of such class would be altered by virtue of the amalgamation or merger.

The Bye-laws provide that the Board may, with the sanction of a resolution passed by a simple majority of votes cast at a general meeting of the Company's shareholders with the necessary quorum for such meeting of two persons at least holding or representing 33 1/3% of the issued shares of the Company (or the class, where applicable) amalgamate or merge the Company with another company.

Pursuant to the Bermuda Companies Act, a company may be acquired by another company pursuant to a scheme of arrangement effected by obtaining the agreement of such company and of the holders of its shares, representing in the aggregate a majority in number and at least 75% in value of the shareholders (excluding shares owned by the acquirer, who would act as a separate class) present and voting at a court-ordered meeting held to consider the scheme of arrangement. The scheme of arrangement must then be sanctioned by the Bermuda Supreme Court. If a scheme of arrangement receives all necessary agreements and sanctions, upon the filing of the court order with the Bermuda Registrar of Companies, all holders of common shares could be compelled to sell their shares under the terms of the scheme of arrangement.

Appraisal rights

Under the Bermuda Companies Act, a shareholder who did not vote in favour of an amalgamation or merger between non-affiliated companies and who is not satisfied that he or she has been offered fair value for his or her shares may, within one month of the giving of the notice of the shareholders' meeting to consider the amalgamation, apply to the Bermuda Supreme Court to appraise the fair value of his or her shares. If the court appraised value is greater than the value received or to be received in the amalgamation or merger, the acquiring company must pay the Court appraised value to the dissenting shareholder within one month of the appraisal, unless it decides to terminate the amalgamation or merger.

Under another provision of the Bermuda Companies Act, the holders (the purchasers) of 95% or more of the shares of a company may give notice to the remaining shareholders requiring them to sell their shares on the terms described in the notice. Within one month of receiving the notice, any remaining shareholder may apply to the Bermuda Supreme Court for an appraisal of its shares. Within one month of the court's appraisal, the purchasers are entitled to either acquire all shares involved at the price fixed by the court or cancel the notice given to the remaining shareholders. Where shares had been

acquired under the notice at a price less than the court's appraisal, the purchasers must either pay the difference in price or cancel the notice and return to each shareholder concerned the shares acquired and each shareholder must repay the purchaser the purchase price.

Dissenter's rights

The Bermuda Companies Act also provides that, where an offer is made for shares or a class of shares in a company by another company not already owned by, or by a nominee for, the offeror or any of its subsidiaries and, within four months of the offer, the holders of not less than 90% in value of the shares which are the subject of the offer approve the offer. The offeror may by notice, given within two months from the date such approval is obtained, require the dissenting shareholders to transfer their shares on the same terms of the offer. Dissenting shareholders will be compelled to sell their shares to the offeror unless the Bermuda Supreme Court, on application within a one month period from the date of such offeror's notice, orders otherwise.

Shareholder suits

Class actions and derivative actions are generally not available to shareholders under Bermuda law. Bermuda courts, however, would ordinarily be expected to permit a shareholder to commence an action in the name of a company to remedy a wrong to the company where the act complained of is alleged to be beyond the corporate power of the company or illegal, or would result in the violation of the company's memorandum of association or bye-laws. Furthermore, consideration would be given by a Bermuda court to acts that are alleged to constitute a fraud against the minority shareholders or, for instance, where an act requires the approval of a greater percentage of the company's shareholders than that which actually approved it. However, generally a derivative action will not be permitted where there is an alternative action available that would provide an adequate remedy. Any property or damages recovered by derivative action go to the company, not to the plaintiff shareholders. When the affairs of a company are being conducted in a manner which is oppressive or prejudicial to the interests of some part of the shareholders, one or more shareholders may apply to the court, which may make such order as it sees fit, including an order regulating the conduct of the company's affairs in the future or ordering the purchase of the shares of any shareholders by other shareholders or by the company or that the company be wound up. A statutory right of action is conferred on subscribers to shares of a Bermuda company against persons (including directors and officers) responsible for the issue of a prospectus in respect of damage suffered by reason of an untrue statement contained in the Prospectus, but this confers no right of action against the Bermuda company itself. In addition, an action can be brought by a shareholder on behalf of the company to enforce a right of the company (as opposed to a right of its shareholders) against its officers (including directors) for breach of their statutory and fiduciary duty to act honestly and in good faith with a view to the best interests of the company.

Pre-emptive rights

Under the Bermuda Companies Act, no shareholder has a pre-emptive right to subscribe for additional issues of a company's shares unless, and to the extent that, the right is expressly granted to the shareholder under the bye-laws of a company or under any contract between the shareholder and the company.

The Bye-laws do not provide for pre-emptive rights.

Form and transfer of Shares

Subject to the Bermuda Companies Act, the Bye-laws and any applicable securities laws, there are no restrictions on trading in the Shares. The Board is however required by the Bye-laws to decline to

register the transfer of any Share to a person where the Board is of the opinion that such transfer might breach any law or requirement of any authority or any stock exchange or quotation system upon which the Shares are listed, from time to time, until it has received such evidence as the Board may require to satisfy itself that no such breach would occur.

Issuance of common Shares

The Board's mandate to increase the Company's issued share capital is limited to the extent of the authorised share capital of the Company in accordance with its Memorandum of Association and Bye-laws, which are in accordance with Bermuda law.

The authorised share capital of the Company may be increased by a resolution passed by a simple majority of votes cast at a general meeting of the Company's shareholders.

Capital reduction

The Company may, by a resolution passed by a simple majority of votes cast at a general meeting of the Company's shareholders, cancel Shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the Shares so cancelled.

Redeemable preference Shares

The Bye-laws provide that, subject to the Companies Act, preference shares may, with the sanction of a resolution of the Board, be issued on terms that they are:

(i) to be redeemed on the happening of a specified event or an a given date; and/or

(ii) liable to be redeemed at the option of the Company; and/or

(iii) if authorized by the Memorandum of Association liable to be redeemed at the option of the holder.

The terms and manner of redemption shall be provided for in such resolution of the Board and shall be attached to but shall not form part of the Bye-laws. The Company has not issued any redeemable preference shares as at the date of this Prospectus.

Annual accounts

The Board is required to cause to be kept accounting records sufficient to give a fair presentation in all material respects of the state of the Company's affairs. The accounting records are kept at the Company's registered office or at such other place(s) as the Board thinks fit. No shareholder has any right to inspect any accounting records of the Company except as required by law, a stock exchange or quotation system upon which the Shares or listed or as authorized by the Board or by a resolution passed by a simple majority of votes cast at a general meeting of the Company's shareholders. A copy of every balance sheet and statement of income, which is to be presented before the Company in a general meeting, together with a copy of the auditor's report is to be sent to each the Company's shareholder in accordance with the requirements of the Bye-laws and the Bermuda Companies Act.

Dividends

The Company shareholders have a right to share in the Company's profit through dividends. The Board may from time to time declare cash dividends (including interim dividends) or distributions out of contributed surplus to be paid to the Company's shareholders according to their rights and interests as

appear to the Board to be justified by the position of the Company. The Board is prohibited by the Bermuda Companies Act from declaring or paying a dividend, or making a distribution out of contributed surplus, if there are reasonable grounds for believing that (a) the Company is, or would after the payment be, unable to pay its liabilities as they become due; or (b) the realizable value of the Company's assets would thereby be less than the aggregate of its liabilities. The Board may deduct from a dividend or distribution payable to any shareholder all monies due from such shareholder to the Company on account of calls or otherwise. The Bye-laws provide that any dividend or distribution out of contributed surplus unclaimed for a period of six years from the date of declaration of such dividend or distribution shall be forfeited and shall revert to the Company, and that the payment by the Board of any unclaimed dividend or distribution into a separate account shall not constitute the Company a trustee in respect thereof. There are no dividend restrictions or specific procedures for non-Bermudian resident shareholders under Bermuda law or the Bye-laws and/or the Memorandum of Association.

Winding up

In the event of the winding up and liquidation of the Company, the liquidator may, with the sanction of a resolution passed by a simple majority of votes cast at a general meeting of the Company's shareholders, and any other sanction required by the Bermuda Companies Act, divide among the shareholders in specie or kind all or any part of the assets of the Company and may for such purposes set such values as he deems fair upon any property to be divided and may determine how such division is to be carried out between the shareholders or different classes of shareholders. The liquidator may, with the like sanction, vest all or part of the Company's assets in trustees upon such trust for the benefit of the shareholders, however, no shareholder will be compelled to accept any shares or other assets in respect of which there is any liability.

10.9 Registration of the Shares

The Company's register of members is maintained in Bermuda at the Company's registered office at Thistle House, 4 Burnaby Street, Hamilton HM 11, Bermuda.

All shares admitted to trading on Oslo Børs must be registered in the VPS, which is Norway's paperless centralized securities registry. To achieve compatibility of the requirements of Bermuda company law as to the registration and transfer of shares with Norwegian requirements, the Shares will, for the purpose of Bermuda company law, be entered in the Company's register of members in the name of the Registrar, which will hold such shares as nominee on behalf of the beneficial owners.

For the purpose of enabling trading in the Shares on Oslo Børs, the Company will maintain a register in VPS operated by the Registrar as the Company's account operator, where the beneficial ownership interests in and transfer of the beneficial ownership interests in the Shares will be recorded. These arrangements are set out in a registrar agreement with DNB (the **"Registrar Agreement"**).

In accordance with market practice in Norway and requirements of VPS and Oslo Børs, the investors will be registered in VPS as beneficial owners of the Shares and the instruments listed and traded on Oslo Børs will be referred to as shares in the Company. For the purpose of Bermuda law, the Registrar will, however, be regarded as the owner of the Shares and investors registered as owners of the Shares in VPS will have to exercise, indirectly through the Registrar as their nominee, all rights of ownership relating to the Shares. The investors registered as owners in VPS must look solely to the Registrar for the payment of dividends, for the exercise of voting rights attached to the Shares, and for all other rights arising in respect of the Shares. The Registrar Agreement provides that, whenever the Registrar receives any notice, report, accounts, financial statements, circular or other similar document relating to the Company's affairs, including notice of a shareholders' meeting, the Registrar shall ensure that a

copy of such document is promptly sent to the investors registered as owners in VPS, along with any proxy card form or other relevant materials.

All transactions related to securities registered with the VPS must be recorded in the VPS and the transactions are recorded through computerized book-entries. No physical share certificates are or can be issued for securities registered with VPS. VPS confirms each entry by sending a notification of the transaction to the relevant investor, regardless of beneficial ownership. The evidence of ownership through the VPS is the only formality required in order to acquire and sell beneficial ownership of the Shares on Oslo Børs. To effect these entries, the investor must establish a securities account with a Norwegian account operator unless the investor's securities are registered in the name of a nominee. Norwegian banks, licensed investment firms in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account operators. Subject to the qualifications set out above, the entry of a transaction in VPS is under Norwegian law prima facie evidence in determining the legal rights of parties as towards the issuing company and against a third party claiming an interest in the security.

The Company may terminate the Registrar Agreement with 90 days prior written notice. The Registrar may terminate the Registrar Agreement with justifiable cause with 90 days prior written notice. Either the Company or the Registrar may terminate the Registrar Agreement immediately upon written notice of any material breach of the Registrar Agreement by the other party, unless such breach is rectified within 10 business days. The Company's failure to fulfil payment obligations shall always be considered a material breach of the Registrar Agreement. In the event the Registrar Agreement is terminated, the Company will use its reasonable best efforts to enter into a replacement agreement for the purposes of permitting the uninterrupted listing of the Shares on Oslo Børs. There can be no assurance however, that it would be possible to enter into such an agreement on substantially the same terms or at all. A termination of the Registrar Agreement could, therefore, adversely affect the Listing of the Shares on Oslo Børs.

The Registrar's liability for loss has been restricted under the Registrar Agreement. The Registrar has also disclaimed liability for any losses suffered as a result of VPS' errors or negligence. VPS is liable for any direct economic loss resulting from an error in connection with its registration activities unless the error is caused by matters outside the control of VPS and which VPS could not reasonably be expected to avoid or of which VPS could not reasonably be expected to overcome the consequences. VPS' liability is capped at NOK 500 million. The courts may reduce or set aside VPS' liability if the person who has suffered the loss has contributed to the loss wilfully or negligently.

The Existing Shares are registered in the VPS under the ISIN BMG 575071086. The New Shares are registered in the VPS under the ISIN BMG 1466R1245, but will be transferred to the ISIN of the Existing Shares a soon as practically possible following approval of this Prospectus.

11. SECURITIES TRADING IN NORWAY

11.1 Introduction

Oslo Børs was established in 1819 and is the principal market in which shares, bonds and other financial instruments are traded in Norway. As at 31 December 2016, the total capitalisation of companies listed on Oslo Børs amounted to approximately NOK 2,133 billion. Shareholdings of investors not resident in Norway as a percentage of total market capitalisation as at 31 December 2016 amounted to approximately 37 per cent.

Merkur Market is a multilateral trading facility ("MTF"), a self-regulated financial trading venue that facilitates the exchange of financial instruments between multiple parties. This is an alternative to the Oslo Børs where the trading is made in securities, using electronic systems. Shares and equity certificates on Merkur Market are traded through the Millennium Exchange platform, thus existing members on Oslo Børs / Oslo Axess do not need to make enablement changes in order to trade. As at 5 October 2017, the total capitalisation of companies trading on Merkur Market amounted to approximately NOK 4.7 billion split by 12 companies.

11.2 Trading of equities and settlement

Trading of equities on Oslo Børs is carried out in the electronic trading system Millennium Exchange. This trading system is also in use in all markets operated by the London Stock Exchange, including the Borsa Italiana, as well as by the Johannesburg Stock Exchange.

Official trading on the Oslo Børs takes place between 09:00 hours (CET) and 16:20 hours (CET) each trading day, with pre-trade period between 08:15 hours (CET) and 09:00 hours (CET), closing auction from 16:20 hours (CET) to 16:25 hours (CET) and a post-trade period from 16:25 hours (CET) to 17:30 hours (CET). Reporting of after exchange trades can be done until 17:30 hours (CET).

The settlement period for trading on the Oslo Børs is two trading days (T+2). This means that securities will be settled on the investor's account in VPS two days after the transaction, and that the seller will receive payment after two days.

Oslo Clearing ASA, a wholly-owned subsidiary of SIX x-clear AG, a company in the SIX group, has a license from the Norwegian FSA to act as a central clearing service. It has, from 18 June 2010, offered clearing and counterparty services for equity trading on Oslo Børs.

Investment services in Norway may only be provided by Norwegian investment firms holding a license under the Norwegian Securities Trading Act, branches of investment firms from an EEA member state or investment firms from outside the EEA that have been licensed to operate in Norway. Investment firms in an EEA member state may also provide cross-border investment services into Norway.

It is possible for investment firms to undertake market-making activities in shares listed on Oslo Børs if they have a license to this effect under the Norwegian Securities Trading Act, or in the case of investment firms in an EEA member state, a license to carry out market-making activities in their home jurisdiction. Such market-making activities will be governed by the regulations of the Norwegian Securities Trading Act relating to brokers' trading for their own account. However, such market-making activities do not as such require notification to the Norwegian FSA or the Oslo Børs except for the general obligation of investment firms that are members of the Oslo Børs to report all trades in listed securities.

11.3 Information, control and surveillance

Under Norwegian law, Oslo Børs is required to perform a number of surveillance and control functions. The Surveillance and Corporate Control unit of Oslo Børs monitors all market activity on a continuous basis. Market surveillance systems are largely automated, promptly warning department personnel of abnormal market developments.

The Norwegian FSA controls the issuance of securities in both the equity and bond markets in Norway and evaluates whether the issuance documentation contains the required information and whether it is unlawful to carry out the issuance.

Under Norwegian law, a company that is listed on a Norwegian regulated market, or has applied for listing on such market, must promptly release any inside information directly concerning the company (i.e. precise information about its financial instruments, itself or other matters which are likely to have a significant effect on the price of the relevant or related financial instruments, and which are not publicly available or commonly known in the market). A company may, however, delay the release of such information in order not to prejudice its legitimate interests, provided that it is able to ensure that confidentiality in relation to the information is maintained and that the delayed release would not be likely to mislead the public. Oslo Børs may levy fines on companies violating these requirements.

11.4 The VPS and transfer of Shares

The Registrar maintains a branch register reflecting the beneficial ownership of each Share in the VPS. This is considered a sub-register to the primary share register of the Company maintained at its registered office in Bermuda pursuant to the provisions of the Bermuda Companies Act. The Registrar is recorded therein as the nominal owner of all of the Shares.

Bermuda law permits the transfer of shares listed or admitted to trading on Oslo Børs to be effected in accordance with the rules of Oslo Børs (provided that it remains an "Appointed Stock Exchange" as per Bermuda law). Accordingly, beneficial ownership to the Shares will be evidenced and transferred without a written instrument by VPS in accordance with the Company's Bye-laws, as long as they are listed or admitted to trading on Oslo Børs.

VPS is the Norwegian paperless centralized securities register. It operates a computerized book-keeping system in which the ownership of, and all transactions relating to, Norwegian listed shares must be recorded. VPS and Oslo Børs are both wholly-owned by Oslo Børs VPS Holding ASA.

All transactions relating to securities registered with VPS are made through computerized book entries. No physical share certificates are, or may be, issued. VPS confirms each entry by sending a transcript to the shareholder registered in its register (irrespective of any underlying beneficial interests therein). To give effect to such entries, the individual shareholder must establish a share account with a Norwegian account agent. Norwegian banks, Norges Bank (being, Norway's central bank), authorized securities brokers in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account agents.

As a matter of Norwegian law, the registration of a transaction in a VPS account is prima facie evidence for determining the legal rights of parties as against the issuing company or any third party claiming an interest in the given security. As for the Company, it is, however, important to note that the rights attributable to a Share must be exercised, in relation to the Company, through the Registrar.

A transferee or assignee of the beneficial interest in the Shares may not exercise the rights of a beneficial shareholder in relation to the Registrar unless such transferee or assignee has registered such shareholding or has reported and shown evidence of such acquisition, and the acquisition is not prevented by law, the Bye-laws or otherwise.

VPS is liable for any loss suffered by an investor as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside VPS' control which VPS could not reasonably be expected to avoid or overcome the consequences of. Damages payable by VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

VPS must provide information to the Norwegian FSA on an ongoing basis, as well as any information that the Norwegian FSA requests. Further, Norwegian tax authorities may require certain information from VPS regarding any individual's holdings of securities, including information about dividends and interest payments.

11.5 Disclosure obligations

If a person's, entity's or consolidated group's ownership or control proportion of the total issued shares and/or rights to shares in a company listed on a regulated market in Norway (with Norway as its home state, which will be the case for the Company) reaches, exceeds or falls below the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 or 90% of the share capital or the voting rights of that company, the person, entity or group in question has an obligation under the Norwegian Securities Trading Act to notify the Oslo Børs and the issuer immediately. The same applies if the disclosure thresholds are passed due to other circumstances, such as a change in the company's share capital.

These rules apply to the beneficial ownership interest in the Shares recorded in the VPS as well.

11.6 Insider trading

According to Norwegian law, subscription for, purchase, sale or exchange of financial instruments that are listed, or subject to an application for listing, on a Norwegian regulated market, or any incitement to such dispositions, must not be undertaken by anyone who has inside information, as defined in section 3-2 of the Norwegian Securities Trading Act. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value is connected to such financial instruments or incitement to such dispositions.

These rules apply to the beneficial ownership interest in the Shares recorded in the VPS as well.

11.7 Mandatory offer requirement

The Norwegian Securities Trading Act requires any person, entity or consolidated group that becomes the owner of shares representing more than one-third of the voting rights of a company whose shares are listed on a Norwegian regulated market (with the exception of certain foreign companies) to, within four weeks, make an unconditional general offer for the purchase of the remaining shares in that company. A mandatory offer obligation may also be triggered where a party acquires the right to become the owner of shares that, together with the party's own shareholding, represent more than one-third of the voting rights in the company and the Oslo Børs decides that this is regarded as an effective acquisition of the shares in question.

The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

When a mandatory offer obligation is triggered, the person subject to the obligation is required to immediately notify the Oslo Børs and the company in question. The notification is required to state whether an offer will be made to acquire the remaining shares in the company or whether a sale will take place. As a rule, a notification to the effect that an offer will be made cannot be retracted. The offer and the offer document required are subject to approval by the Oslo Børs before the offer is submitted to the shareholders or made public.

The offer price per share must generally be at least as high as the highest price paid or agreed by the offeror for the shares in the six-month period prior to the date the threshold was exceeded. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is obliged to restate its offer at such higher price. A mandatory offer must be in cash or contain a cash alternative at least equivalent to any other consideration offered.

In case of failure to make a mandatory offer or to sell the portion of the shares that exceeds the relevant threshold within four weeks, the Oslo Børs may force the acquirer to sell the shares exceeding the threshold by public auction. Moreover, a shareholder who fails to make an offer may not, as long as the mandatory offer obligation remains in force, exercise rights in the company, such as voting in a general meeting, without the consent of a majority of the remaining shareholders. The shareholder may, however, exercise his/her/its rights to dividends and pre-emption rights in the event of a share capital increase. If the shareholder neglects his/her/its duty to make a mandatory offer, the Oslo Børs may impose a cumulative daily fine that runs until the circumstance has been rectified.

Any person, entity or consolidated group that owns shares representing more than one-third of the votes in a company listed on a Norwegian regulated market (with the exception of certain foreign companies) is obliged to make an offer to purchase the remaining shares of the company (repeated offer obligation) if the person, entity or consolidated group through acquisition becomes the owner of shares representing 40%, or more of the votes in the company. The same applies correspondingly if the person, entity or consolidated group through acquisition becomes the owner of shares representing 50% or more of the votes in the company. The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares which exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

Any person, entity or consolidated group that has passed any of the above mentioned thresholds in such a way as not to trigger the mandatory bid obligation, and has therefore not previously made an offer for the remaining shares in the company in accordance with the mandatory offer rules is, as a main rule, obliged to make a mandatory offer in the event of a subsequent acquisition of shares in the company.

These principles will apply to the beneficial ownership of the Shares as well.

11.8 **Compulsory acquisition of shares**

Under Bermuda law, an acquiring party is generally able to acquire, compulsorily, the shares of minority holders in a company.

This can be achieved by a procedure under the Companies Act known as a "scheme of arrangement". A scheme of arrangement may be effected by obtaining the agreement of the company and of holders of common shares, comprising in the aggregate a majority in number representing at least 75 percent in value of the shareholders (excluding shares owned by the acquirer) present and voting at a meeting ordered by the Bermuda Supreme Court held to consider the scheme of arrangement. Following such approval by the shareholders, the Bermuda Supreme Court must then sanction the scheme of arrangement. If a scheme of arrangement receives all necessary agreements and sanctions, upon the filing of the court order with the Registrar of Companies in Bermuda, all holders of common shares could be compelled to sell their shares under the terms of the scheme of arrangement.

If the acquiring party is a company, by acquiring, pursuant to a tender offer, 90 percent in value of the shares not already owned by, or by a nominee for, the acquiring party (the offeror), or any of its subsidiaries – if an offeror has, within four months after the making of an offer for all the shares not owned by, or by a nominee for, the offeror, or any of its subsidiaries, obtained the approval of the holders of 90 percent or more in value of all the shares to which the offer relates, the offeror may, at any time within two months beginning with the date on which the approval was obtained, require by notice any non-tendering shareholder to transfer its shares on the same terms, including as to the form of consideration, as the original offer. In such circumstances, non-tendering shareholders could be compelled to transfer their shares, unless the Bermuda Supreme Court (on application made within a one-month period from the date of the offeror's notice of its intention to acquire such shares) orders otherwise.

Where the acquiring party or parties hold not less than 95 percent of the shares of a company, by acquiring, pursuant to a notice given to the remaining shareholders, the shares of such remaining shareholders – when such notice is given, the acquiring party is entitled and bound to acquire the shares of the remaining shareholders on the terms set out in the notice, unless a remaining shareholder, within one month of receiving such notice, applies to the Bermuda Supreme Court for an appraisal of the value of their shares. This provision only applies where the acquiring party offers the same terms to all holders of shares whose shares are being acquired.

The above procedure will require that the sub-register of shareholders of the Company in the VPS is closed down and the beneficial interest in the Shares reflected therein is transferred to the primary shareholder register kept by the Company in Bermuda.

12. TAXATION

12.1 Introduction

The following summary does not purport to be a comprehensive description of all the tax issues that may be relevant to consider in connection with a decision to purchase, own or dispose of the Shares. Shareholders who wish to clarify their own tax situation in such context should consult with and rely upon their own tax advisers. Shareholders resident in jurisdictions other than Norway and Bermuda and shareholders who cease to be residents of Norway or Bermuda for tax purposes (due to domestic tax law or under tax treaties) while owning Shares should specifically consult with and rely upon their own tax advisers with respect to the tax position in their country of residence and the tax consequences related to any such change in tax residency.

12.2 Bermuda taxation applicable to the Company

There will, as of the date hereof, be no income or profit tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by the Company in Bermuda. The Minister of Finance of Bermuda has, under the Exempted Undertakings Tax Protection Act 1966 of Bermuda, as amended, given the Company an assurance that, in the event any legislation is enacted in Bermuda imposing any tax computed on profits, income, capital asset, gain or appreciation, such tax shall not, until after 31 March 2035, be applicable to the Company or any of its operations or the Shares or any debentures or other obligations of the Company, except insofar as such tax will be payable by the Company in respect of real property owned or leased by the Company in Bermuda.

Given the limited duration of this assurance, it is not certain that the Company will not be subject to any Bermuda taxation after 31 March 2035.

12.3 Other jurisdictions

The Company is, as of the date hereof, not deemed to be a tax resident in any other jurisdictions than Bermuda and does not expect this to change.

As for the Group, individual Group Companies will, when operating in a jurisdiction, normally be taxed on its income and capital gain generated in such jurisdiction as per local rules.

Tax (in the nature of VAT and tariffs) may also be levied on such Group Companies if it imports a rig into such jurisdiction for the purpose of employing it there.

Finally, some jurisdictions may apply withholding taxes on dividends and other payments by an operating entity to the Company.

The Company will, always, seek to organise its activities in a jurisdiction so as to reduce the taxes payable as much as possible within the scope of local legislation.

12.4 **The shareholders**

12.4.1 Bermuda

The Company's shareholders will not, based on their shareholding in the Company only, be taxable in Bermuda as of the date hereof.

The assurance obtained by the Company from the Minister of Finance of Bermuda referred to in Section 12.2 "Bermuda taxation applicable to the Company" above covers taxation of the Company's shareholders as well. Hence, in the event any legislation is enacted in Bermuda imposing any tax on the Shares or dividends paid on the Shares or in the nature of estate duties or inheritance tax on the transfer of Shares, such tax shall not, until after 31 March 2035, be applicable on the Company's shareholders except insofar as such shareholders may be tax resident in Bermuda.

12.5 **Norwegian taxation**

12.5.1 General

The summary is based on the laws in force in Norway as of the date of this Prospectus, and is subject to any subsequent changes in such laws, administrative practises or interpretations. Such changes could, possibly, be made on a retroactive basis.

Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian shareholders or companies refers to the tax residency rather than the nationality of the owner of Shares.

12.6 **Taxation of dividends**

12.6.1 Norwegian personal shareholders

Dividends received by shareholders in the Company who are natural persons resident in Norway for tax purposes (a "**Norwegian Personal Shareholders**") are taxable as ordinary income at a rate of 24% (proposed to be reduced to 23% from 2018) to the extent the dividends received exceed a statutory tax-free allowance (Nw. *skjermingsfradrag*). Such amount is, for the purpose of calculating the tax liability, multiplied with a factor of 1.24, resulting in an effective tax rate of 29.76% (24% x 1.24) on dividends exceeding the statutory tax-free allowance.

The statutory tax-free allowance is calculated on a singular by-share basis. The allowance for each share is equal to the cost price of the share multiplied by a determined risk free interest rate based on the effective interest rate after tax on Norwegian treasury bills (Nw. *statskasseveksler*) with three months maturity. The statutory tax-free allowance is calculated for each calendar year, and is allocated solely to Norwegian Personal Shareholders holding shares at the expiration of the relevant calendar year.

Norwegian Personal Shareholders who transfer any Shares will thus not be entitled to deduct the statutory tax-free allowance for each Share transferred when determining the taxable amount in the year of transfer. Any part of the calculated statutory tax-free allowance in one year exceeding the dividends actually paid on a Share in such year (the "**Excess Allowance**") may be carried forward and set off against future dividends received on, or gains made upon the realization of, the same Share.

12.6.2 Norwegian corporate shareholders

Shareholders who are limited liability companies (and similar entities who are taxed directly) and resident in Norway for tax purposes (a "**Norwegian Corporate Shareholders**") are largely exempt from tax on dividends received from shares issued by companies resident in the European Economic Area (the "**EEA**") pursuant to the Norwegian participation exemption method (Nw. *fritaksmetoden*). However, as the Company is a tax resident of Bermuda (which for Norwegian tax purposes is deemed a "low-tax jurisdiction" and outside of the EEA), it does not qualify as an object under the Norwegian tax exemption method. Consequently any dividends on the Shares distributed to a Norwegian Corporate Shareholder will be taxed as ordinary income at a rate of 24% (2017).

12.6.3 Foreign shareholders

As a general rule, dividends received by shareholders who are not tax resident in Norway, will not be subject to Norwegian taxation in respect of any Shares owned. However, if such shareholder is carrying on a business activity in Norway or is managing a business activity from Norway and the Shares are effectively connected with such business activity, such shareholder will, generally, be subject to the same dividend taxation principles as Norwegian Corporate Shareholders, cfr. Above.

12.7 **Taxation of any capital gains on realization of Shares**

12.7.1 Norwegian Personal Shareholders

Any sale, redemption or other disposal of the Shares will be considered a realization for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Shareholder through the disposal of Shares is thus taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the Norwegian Personal Shareholder's ordinary income in the year of disposal of the Shares. Ordinary income is taxable at a rate of 24%. (2017). However, the taxable capital gain (after utilizing any Excess Allowance, cfr. Below) and/or any other tax deductible loss shall be adjusted by a factor of 1.24, resulting in a marginal effective tax rate of 29.76%.

The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of Shares disposed of.

Any taxable gains/deductible losses are calculated on a per share basis as the difference between the consideration paid for the share and the Norwegian Personal Shareholder's cost price (including costs incurred in relation to its acquisition or realization) of the share. From this capital gain, Norwegian Personal Shareholders are entitled to deduct the statutory tax-free allowance provided that such allowance has not already been used to reduce the taxable dividend income. Please refer to section 12.6.1 "Taxation of dividends" above for a description of the calculation of the statutory tax-free allowance. The allowance may only be deducted in order to reduce a taxable gain and cannot increase or produce a deductible loss, i.e. any Excess Allowance upon the realization of a Share will be annulled.

If a Norwegian Personal Shareholder owns Shares acquired at different points in time, the Shares that were acquired first will be regarded as the first to be disposed of.

12.7.2 Norwegian Corporate Shareholders

Norwegian Corporate Shareholders are generally exempt from tax on capital gains derived from any realization of shares in entities resident in the EEA, pursuant to the Norwegian participation exemption method (Nw. *fritaksmetoden*). However, as the Company is resident of Bermuda (which for Norwegian tax purposes is deemed a "low-tax jurisdiction" and outside the EEA), any capital gain or loss derived by a Norwegian Corporate Shareholder from a disposal of Shares will generally be taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the basis for computation of general income in the year of realization at a rate of 24% (2017).

If a loss realized through the realization of Shares exceeds the ordinary income of the Norwegian Corporate Shareholder in that year, the excess amount can be carried forward and set off against the next year's ordinary income. If the Norwegian Corporate Shareholder owns Shares acquired at different points in time, the Shares that were acquired first will be regarded as the first to be disposed of.

12.7.3 Foreign shareholders

Capital gains derived by the sale or other realization of Shares by shareholders not resident in Norway for tax purposes are not subject to taxation in Norway unless the Shares are effectively connected with a business activity carried out in or managed from Norway.

12.8 **Controlled Foreign Corporation taxation**

If shareholders who are tax resident in Norway (and foreign shareholders that hold shares in connection with a business that is tax resident in Norway), in the aggregate, directly or indirectly own or control 50% or more of the share capital of a company resident in a what for Norwegian tax purposes is deemed a "low-tax jurisdiction" at the beginning and end of a fiscal year, or more than 60% at the end of a fiscal year, then such shareholders may become subject to Controlled Foreign Corporation (**"CFC"**) taxation (Nw. *NOKUS*) in Norway.

A jurisdiction is considered a "low-tax jurisdiction" if the tax on the company's total profits amount to less than two thirds of the comparable tax that would be assessed on the company had it been tax resident in Norway. Bermuda is currently on the list of countries that are considered low tax jurisdictions. In the event that the conditions regarding ownership and/or control pursuant to Norwegian CFC taxation are fulfilled and apply to the Company, the Company's annual profits will be taxable (at a rate of 24% - 2017) for the shareholders who are tax resident in Norway according to their proportionate share of the Company's equity. A loss may be carried forward for deduction in future profits but only in relation to the Company's profits. This taxation will apply regardless of whether, and to what extent, the Company's profits are distributed to these shareholders. The Company's profits will, for the purpose of the calculation of the tax liability, be calculated according to Norwegian tax rules as if the Company was a Norwegian resident.

For a Norwegian Corporate Shareholder who is subject to such taxation, dividends distributed by the Company are exempt from further taxation in Norway to the extent the dividends received do not exceed such shareholder's share of the Company's net income.

Special rules may apply to shareholders resident in Norway for tax purposes if the Company ceases to be subject to such taxation in Norway. Special rules will also apply to the calculation of taxable gains/losses upon realization of Shares by a Norwegian Corporate Shareholder that is or has been subject to such taxation.

12.9 **Net wealth tax**

The value of Shares will be included in the computation of the basis for the annual net wealth tax applicable to Norwegian Personal Shareholders. The marginal net wealth tax rate is 0.85% of the value assessed. The value for listed shares is, for assessment purposes, equal to the quoted trading price as of 1 January in the year of assessment (i.e. the year following the relevant fiscal year).

Norwegian Corporate Shareholders are not subject to net wealth tax.

Shareholders not resident in Norway for tax purposes are not subject to Norwegian net wealth tax. Individuals who are tax resident outside Norway may, however, be liable for the net wealth tax if the shareholding is effectively connected with a business activity carried out in or managed from Norway.

12.10 **Inheritance tax**

A transfer of Shares through inheritance or as a gift does not give rise to inheritance or gift tax in Norway.

12.11 **VAT and transfer taxes**

No VAT, stamp or similar transfer taxes/duties are currently imposed in Norway on the transfer of shares, whether on acquisition or disposal.

13. SELLING AND TRANSFER RESTRICTIONS

General

The Shares may, in some jurisdictions, be subject to restrictions on transferability. Hence, the Shares cannot be transferred or resold except as permitted under applicable securities laws and regulations in such jurisdictions. Any failure to comply with such restrictions, whenever applicable, may constitute a violation of the securities laws in such jurisdiction.

The Company has no plans for the registration of the Shares for trading in any other market than that which exists on Oslo Børs in the near future.

United States of America

No Shares will be registered under the US Securities Act, or under the securities laws of any state of the United States in the near future. Accordingly, the Shares may not be offered or sold, directly or indirectly, in or into the United States other than in compliance with Regulation S under the US Securities Act, or pursuant to any other exemption from the registration requirements of the US Securities Act and always in compliance with applicable state securities laws of the United States.

14. ADDITIONAL INFORMATION

14.1 Documents on display

Copies of the following documents will be available for physical inspection at Borr Drilling Management AS' offices at Klingenberggata 4, 0160 Oslo, Norway, during normal business hours from Monday to Friday each week (except public holidays) for a period of twelve months from the date of this Prospectus.

- The Bye-laws and Memorandum of Association.
- The Annual Financial Statements and the Q2 2017 Financial Statements.
- This Prospectus.

14.2 Incorporated by reference

The following table sets forth an overview of documents incorporated by reference in this Prospectus. No information other that the information referred to in the table below is incorporated by reference. Where parts of a document is referenced, and not the document as a whole, the remainder of such document is either deemed irrelevant to an investor in the context of the requirements if this Prospectus, or the corresponding information is covered elsewhere in this Prospectus.

Sections in the Prospectus	**Reference document and link**
9	Annual Financial Statements: http://borrdrilling.com/wp-content/uploads/2017/08/Borr-Drilling-Consolidated-Financial-Statements-2016.pdf
9	Q2 2017 Financial Statements: http://borrdrilling.com/wp-content/uploads/2017/08/Consolidated-Financial-statements-Q2-2017.pdf

15. DEFINITION AND GLOSSARY OF TERMS

Annual Financial Statements	The audited consolidated financial statements of the Company for the period from its incorporation on 8 August 2016 to 31 December 2016
Atwood	Atwood Oceanics Inc.
Bbl	A barrel of crude oil
Bermuda Companies Act	The Companies Act 1981 of Bermuda
BMA	Bermuda Monetary Authority
Board	The board of directors of Borr Drilling Limited
Borr Drilling Management Dubai	Borr Drilling Management DMCC of Dubai, UAE
Borr Drilling Management Oslo	Borr Drilling Management AS of Oslo, Norway
Borr Operator	Borr International Operations Inc., a wholly owned subsidiary of the Company
Borr XIV	Borr Jack-Up XIV Inc., a wholly owned subsidiary of the Company
BWE	BW Energy Dussafu B.V.
Bye-laws	The Company's Bye-laws as in force from time to time
CEO	The Group's designated chief executive officer
CET	Central European Time
CFC	Controlled Foreign Corporation
CFO	The Group's designated chief financial officer
Code	The Norwegian Code of Practice for Corporate Governance as of 30 October 2014
Company	Borr Drilling Limited
Completed PPL Rigs	Six premium rigs acquired from PPL as part of the PPL Transaction that were completed
Contributed Surplus	The proceeds arising from donated Shares, credits resulting from the redemption or conversion of Shares at less than their par value and donations of cash and other assets to the Company
COO	The Group's designated chief operating officer
December Private Placement	The private placement of 77.5 million Shares in December 2016 which raised gross proceeds of approximately USD 155 million to the Company

Directors	The individual members of the Board at any time
DNB	DNB Bank ASA
Drew	Drew Holdings Limited, a private limited company incorporated and resident in Bermuda
E&P Companies	Companies engaged in the exploration for and/or production of crude oil and natural gas
EEA	The European Economic Area covering the members of the European Union, Norway, Iceland and Liechtenstein
Excess Allowance	Any part of the calculated statutory tax-free allowance in one year exceeding the dividends actually paid on a Share in such year
Existing Shares	The 315,792,500 ordinary shares in the Company issued prior to 9 October 2017 which are listed on the Oslo Stock Exchange
Financial Statements	The Annual Financial Statements and the Q2 2017 Financial Statements
Fleet	All of the Group's Rigs at any time
Forward Looking Statements	Statements that are not historical facts, usually identified by words such as (what follows are examples without excluding words having the same meaning): “anticipates”, “believes”, “expects”, “intends”, “may”, “projects”, “should”, or the negatives of these terms or similar expressions
FTE	Full Time Equivalent
Group	The Company and its subsidiaries
Group Company	A subsidiary of the Company
H1 2017	The six month period ending 30 June 2017
H&M Insurance	Hull and machinery insurance
Hercules	Hercules British Offshore Limited
Hercules Rigs	The two jack-up drilling rigs acquired from Hercules, renamed "Frigg" and "Ran"
Hercules Transaction	The acquisition of the Hercules Rigs from Hercules which was completed at 23 January 2017
HSE	Health, Safety and Environment
IEA	International Energy Agency

IMO	The International Maritime Organisation
ISIN	International Securities Identification Number
Keppel	Keppel FELS Limited
Keppel Newbuildings	Five jack-up drilling rigs under construction at Keppel's yard in Singapore pursuant to the Keppel Newbuilding Contracts
Keppel Newbuilding Contracts	Five construction contracts for a Keppel Newbuilding between Keppel and each of Borr Jack-Up III Inc., Borr Jack-Up IV Inc., Borr Jack-Up V Inc., Borr Jack-Up VI Inc. and Borr Jack-Up VII Inc.
Keppel Transaction	The amending of the terms of the five newbuildings contracts acquired from Transocean in the Transocean Transaction
Listing	The listing of the Shares on Oslo Børs
LOH Insurance	Loss of hire insurance
LTI Plan	Long-term incentive plan for the Group's employees and directors
Magni Partners	Magni Partners (Bermuda) Limited
Managers	ABG Sundal Collier ASA, Clarksons Platou Securities AS, DNB Markets, a part of DNB Bank ASA, Fearnley Securities AS, Pareto Securities AS, Skandinaviska Enskilda Banken AB (publ.), Oslo branch and Sparebank 1 Markets AS
March Private Placement	The private placement of 226.8 million Shares in March 2017 which raised gross proceeds of approximately USD 800 million to the Company
May Transactions	The Transocean Transaction and the Keppel Transaction
Memorandum of Association	The Company's memorandum of association of 4 August 2016, as subsequently amended
NCDMB	The Nigerian Content Development and Monitoring Board
Newbuild Subsidiaries	Borr Jack-Up I Inc., Borr Jack-Up II Inc., Borr Jack-Up III Inc., Borr Jack-Up IV Inc. and Borr Jack-Up V Inc., each of which is party to a Newbuilding Contract with Keppel and Borr Jack-Up XXIII Inc., Borr Jack-Up XXIV Inc. and Borr Jack-Up XXV Inc., each of which is party to a Newbuilding Contract with PPL
Newbuilding Contracts	Five separate contracts for the construction of jack-up drilling rigs at Keppel between Keppel and the Newbuilding Subsidiaries (as novated and amended) and three separate construction contracts for jack-up drilling rigs at PPL

	between PPL and the Newbuilding Subsidiaries
Newbuildings	Five jack-up drilling rigs on order from Keppel and three jack-up drilling rigs on order from PPL pursuant to the Newbuilding Contracts
New Shares	The 162,500,000 new ordinary shares in the Company issued on 10 October 2017
NOC	E&P Companies that are owned, wholly or with a majority share by national governments
Norwegian Corporate Shareholders	Shareholders who are limited liability companies (and certain similar entities which are taxed directly) and resident in Norway for tax purposes
Norwegian FSA	The Financial Supervisory Authority of Norway (Nw. "*Finanstilsynet*")
Norwegian Personal Shareholders	Natural persons resident in Norway for tax purposes
Norwegian Securities Trading Act	The Norwegian securities trading act of 29 June 2007 no. 75 (Nw. "*Verdipapirhandelloven*")
October Private Placement	The private placement of 162,500,000 new shares in completed on 9 October 2017 which raised gross proceeds of approx. USD 650 million to the Company
OPEC	Organization Of Petroleum Exporting Countries
Oslo Børs	The Oslo Stock Exchange
P&I Insurance	Protection and indemnity insurance
PPL	PPL Shipyard Pte. Ltd.
PPL Newbuilding Contracts	The newbuilding contracts for the PPL Newbuildings
PPL Newbuildings	Three PPL Rigs under construction covered by the PPL SPAS
PPL Rigs	Six premium jack-up drilling rigs and three premium jack-up drilling rigs under construction
PPL SPAS	Sale and purchase agreements for the PPL Rigs
PPL Transaction	Purchase of the PPL Rigs from PPL
Prospectus	This prospectus issued on 19 October 2017 with all attachments hereto
Prospectus Directive	The Commission Regulation (EC) no. 809/2004, as amended
PwC	PricewaterhouseCoopers AS
Q1 2017	The three month period ending 31 March 2017

Q2 2017	The three month period ending 30 June 2017
Q2 2017 Financial Statements	The unaudited consolidated financial statement of the Company as of and for the three months ending on 30 June 2017
QHSE	Quality, Health, Safety and Environment
Registrar	DNB Bank ASA's securities services division
Registrar Agreement	An agreement between the Company and the Registrar setting forth the terms upon which the Registrar shall establish and operate a register of the beneficial ownership interests in the Shares
Rigs	The jack-up drilling rigs which the Group owns from time to time (excluding Newbuildings)
Schlumberger	Schlumberger Oilfield Holdings Limited
SEC	The US Security Exchange Commission
Shares	The 478,292,500 ordinary shares of the Company in issue on the date hereof (the Existing Shares and the New Shares)
Sub-Register of Shareholders	A register of the beneficial owners of the Shares kept in electronic form in the VPS by the Registrar
Summary	Section 1 of this Prospectus
Taran	Taran Holdings Limited, a private limited company incorporated and resident in Bermuda
Thailand Rigs	The Jack-up drilling rigs "Odin" and "Mist"
Total Drilling Contract	A drilling contract for "Frigg" to be entered into between Total Nigeria, Nigeria National Petroleum, Valiant and Borr Operator
Total Nigeria	Total E&P Nigeria Limited
Total LoC	The conditional letter of commitment dated 14 June 2017 from Total Nigeria to the Company and Valiant setting forth the main terms of a drilling contract for in Nigeria
Transocean	Transocean Inc.
Transocean Bareboat Charters	Two separate bareboat charter parties between each of the owners of the Thailand Rigs and the Transocean Charterers in respect of the Thailand Rigs
Transocean Charterer	Transocean Eastern Pty. Ltd., a wholly owned subsidiary of Transocean

Transocean Companies	The eight single purpose companies acquired from Transocean in the Transocean Transaction
Transocean Rigs	The ten jack-up drilling rigs owned by the Transocean Subsidiaries together with the spare parts and inventory belonging to them
Transocean Transaction	Acquisition of all of the shares in issue in the Transocean Subsidiaries and the rights and obligations under the five Newbuilding Contracts with Keppel
Ubon	Ubon Partners AS
US GAAP	Generally Accepted Accounting Principles in the United States of America
US Securities Act	The United States Securities Act of 1933, as amended
VAT	Value Added Tax
VPS	The Norwegian Central Securities Depository ("*Verdipapirsentralen*")
Valiant	Valiant Energy Service West Africa Limited
Valiant MoA	The memorandum of agreement with Valiant dated 22 June 2017 setting forth the principles for their collaboration in relation to a drilling contract in Nigeria
VOCL	Valiant Offshore Contractors Limited, an affiliate of Valiant
Warrants	A warrant issued by the Company entitling the owner to subscribe to one new ordinary share in the Company of USD 0.01 par value at terms defined by the Company

AMENDED AND RESTATED BYE-LAWS

OF

BORR DRILLING LIMITED

I HEREBY CERTIFY that the within-written Bye-laws are a true copy of the Bye-laws of **Borr Drilling Limited (formerly Magni Drilling Limited)** as adopted at the Statutory General Meeting on the 10th day of August 2016 as amended and restated by the Directors and the Shareholder by Unanimous Written Resolutions on the 12 day of December, 2016 and by the Shareholders at the Annual General Meeting on 25th August, 2017

Secretary

TABLE OF CONTENTS

BYE-LAWS

OF

Magni Drilling Limited

DEFINITIONS

1.1. In these Bye-laws, and any Schedule, unless the context otherwise requires:

"**Alternate Director**" means such person or persons as shall be appointed from time to time pursuant to Bye-law 103;

"**Annual General Meeting**" means a meeting convened by the Company pursuant to Section 71(1) of the Principal Act;

"**Associate**" means:

(a) in respect of an individual, such individual's spouse, former spouse, sibling, aunt, uncle, nephew, niece or lineal ancestor or descendant, including any step-child and adopted child and their issue and step parents and adoptive parents and their issue or lineal ancestors;

(b) in respect of an individual, such individual's partner and such partner's relatives (within the categories set out in (a) above);

(c) in respect of an individual or body corporate, an employer or employee (including, in relation to a body corporate, any of its directors or officers);

(d) in respect of a body corporate, any person who controls such body corporate, and any other body corporate if the same person has control of both or if a person has control of one and persons who are his Associates, or such person and persons who are his Associates, have control of the other, or if a group of two or more persons has control of each body corporate, and the groups either consist of the same persons or could be regarded as consisting of the same persons by treating (in one or more cases) a member of either group as replaced by a person of whom he is an Associate. For the purposes of this paragraph, a person has control of a body corporate if either (i) the directors of the body corporate or of any other body corporate which has control of it (or any of them) are accustomed to acting in accordance with his instructions or (ii) he is entitled to exercise, or control the exercise of, one-third or more of the votes attaching to all of the issued shares of the body corporate or of another body corporate which has control of it (provided that where two or

more persons acting in concert satisfy either of the above conditions, they are each to be taken as having control of the body corporate);

"**Bermuda**" means the Islands of Bermuda;

"**Board**" means the Board of Directors of the Company or the Directors present at a meeting of Directors at which there is a quorum;

"**Branch Register**" means a branch of the Register for the shares which is maintained by a Registrar pursuant to the terms of an agreement with the Company;

"**Business Day**" means a day on which banks are open for the transaction of general banking business in each of London, United Kingdom and Hamilton, Bermuda;

"**Bye-laws**" means these Bye-laws in their present form or as they may be amended from time to time;

"**the Companies Acts**" means every Bermuda statute from time to time in force concerning companies insofar as the same applies to the Company including, without limitation, the Principal Act;

"**Company**" means the company incorporated in Bermuda under the name of **Magni Drilling Limited** on the 9th day of August 2016;

"**Company Website**" means the website of the Company established pursuant to Bye-law 159;

"**Director**" means such person or persons as shall be elected or appointed to the Board from time to time pursuant to these Bye-laws, or the Companies Acts;

"Electronic Record" means a record created, stored, generated, received or communicated by electronic means and includes any electronic code or device necessary to decrypt or interpret such a record;

"**Electronic Transactions Act**" means the Electronic Transactions Act 1999;

"Finance Officer" means such person or persons other than the Resident Representative appointed from time to time by the Board pursuant to Bye-law 119 and 131 to act as the Finance Officer of the Company;

"General Meeting" means an Annual General Meeting or a Special General Meeting;

"**Listing Exchange**" means any stock exchange or quotation system upon which the shares are listed from time to time;

"**Officer**" means such person or persons as shall be appointed from time to time by the Board pursuant to Bye-law 131;

"**paid up**" means paid up or credited as paid up;

"**Principal Act**" means the Companies Act 1981;

"**Register**" means the Register of Shareholders of the Company and except in the definitions of "Branch Register" and "Registration Office" in this Bye-law and except in Bye-laws 52 and 52A, includes any Branch Register;

"**Registered Office**" means the registered office for the time being of the Company;

"**Registrar**" means such person or body corporate who may from time to time be appointed by the Board as registrar of the Company with responsibility to maintain a Branch Register;

"**Registration Office**" means the place where the Board may from time to time determine to keep the Register and/or the Branch Register and where (except in cases where the Board otherwise directs) the transfer and documents of title are to be lodged for registration;

"**Resident Representative**" means any person appointed to act as the resident representative of the Company and includes any deputy or assistant resident representatives;

"**Resolution**" means a resolution of the Shareholders or, where required, of a separate class or separate classes of Shareholders, adopted either in a General Meeting or by written resolution, in accordance with the provisions of these Bye-laws;

"**Seal**" means the common seal of the Company, if any, and includes any duplicate thereof;

"**Secretary**" means the person appointed to perform any or all of the duties of the secretary of the Company and includes a temporary or assistant Secretary and any person appointed by the Board to perform any of the duties of the Secretary;

"**Shareholder**" means a shareholder or member of the Company;

"**Special General Meeting**" means a general meeting, other than the Annual General Meeting;

"**Treasury Shares**" means any share that was acquired and held by the Company, or as treated as having been acquired and held by the Company, which has been held continuously by the Company since it was acquired and which has not been cancelled; and

CONSTRUCTION

1.2 In these Bye-laws, unless the contrary intention appears:

(a) Words importing only the singular number include the plural number and vice versa;

(b) Without prejudice to the generality of paragraph (a), during periods when the Company has elected or appointed only one (1) Director as permitted by the Principal Act references to "**the Directors**" shall be construed as if they are references to the sole Director of the Company;

(c) Words importing only the masculine gender include the feminine and neuter genders respectively;

(d) Words importing persons include companies or associations or bodies of persons, whether corporate or un-incorporate wherever established;

(e) For the purposes of these Bye-laws a corporation shall be deemed to be present in person if its representative duly authorised pursuant to the Companies Acts is present;

(f) References to a meeting will not be taken as requiring more than one person to be present if the relevant quorum requirement can be satisfied by one person;

(g) References to writing shall include typewriting, printing, lithography, facsimile, photography and other modes of reproducing or reproducing words in a legible and non-transitory form including electronic transfers by way of e-mail or otherwise and shall include any manner permitted or authorized by the Electronic Transactions Act;

(h) Unless otherwise defined herein, any words or expressions defined in the Principal Act in force on the date when these Bye-Laws or any part thereof are adopted shall bear the same meaning in these Bye-Laws or such part (as the case may be);

(i) Any reference in these Bye-Laws to any statute or section thereof shall, unless expressly stated, be deemed to be a reference to such statute or section as amended, restated or re-enacted from time to time; and

(j) Headings in these Bye-Laws are inserted for convenience of reference only and shall not affect the construction thereof.

REGISTERED OFFICE

2. The Registered Office shall be at such place in Bermuda as the Board shall from time to time appoint.

SHARES

3. At the time these Bye-laws are adopted, the share capital of the Company is divided into one class of 50 ordinary shares of par value USD 10.00 each.

4. Subject to the provisions of these Bye-laws, the unissued shares of the Company (whether forming part of the original capital or any increased capital) shall be at the disposal of the Board, which may offer, allot, grant warrants, options or other securities with rights to convert such securities into shares of the Company over any unissued shares of the Company or otherwise dispose of the Company's unissued shares to such persons at such times and for such consideration and upon such terms and conditions as the Board may determine.

5. The Board may, in connection with the issue of any shares, exercise all powers of paying commission and brokerage conferred or permitted by law.

6. No shares shall be issued until they are fully paid except as may be prescribed by an Resolution.

7. The holders of the Shares shall, subject to the provisions of these Bye-laws:

(a) be entitled to one vote per share;

(b) be entitled to such dividends or distributions as the Board may from time to time declare;

(c) in the event of a winding up or dissolution of the Company, whether voluntary or involuntary or for the purpose of a reorganisation or otherwise or upon any distribution of capital, be entitled to the surplus assets of the Company;

(d) generally be entitled to enjoy all the rights attaching to shares.

POWER TO PURCHASE OWN SHARES

8. The Company shall have the power to purchase shares for cancellation.

9. The Company shall have the power to acquire shares to be held as Treasury Shares.

10. The Board may exercise all of the powers of the Company to purchase or acquire shares, whether for cancellation or to be held as Treasury Shares in accordance with the Principal Act.

10A. The Board may exercise all powers of the Company to (i) divide its shares into several classes and attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions; (ii) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; (iii) subdivide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum, so, however, that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and (iv) make provision for the issue and allotment of shares which do not carry any voting rights.

11. At any time that the Company holds Treasury Shares, all of the rights attaching to the Treasury Shares shall be suspended and shall not be exercised by the Company. Without limiting the generality of the foregoing, if the Company holds Treasury Shares, the Company shall not have any right to attend and vote at a General Meeting including a meeting under Section 99 of the Principal Act or sign written resolutions and any purported exercise of such a right is void.

12. The Company may not by virtue of any Treasury Shares held by it participate in any offer by the Company to Shareholders or receive any distribution (including in a winding up) but without prejudice to the right of the Company to sell or dispose of the Treasury Shares for cash or other consideration or to receive an allotment of shares as fully paid bonus shares in respect of the Treasury Shares.

13. Except where required by the Principal Act, Treasury Shares shall be excluded from the calculation of any percentage or fraction of the share capital, or shares, of the Company.

MODIFICATION OF RIGHTS

14. Subject to the Companies Acts, all or any of the special rights for the time being attached to any class of shares for the time being issued may from time to time (whether or not the Company is being wound up) be altered or abrogated with the consent in writing of the holders of not less than seventy five percent of the issued shares of that class or with the sanction of a resolution passed at a separate general meeting of the holders of such shares voting in person or by proxy. To any such separate general meeting, all the provisions of these Bye-laws as to general meetings of the Company shall mutatis mutandis apply, but so that the necessary quorum shall be two or more persons holding or representing by proxy any of the shares of the relevant class, that every holder of shares of the relevant class shall be

entitled on a poll to one vote for every such share held by him and that any holder of shares of the relevant class present in person or by proxy may demand a poll; provided, however, that if the Company or a class of Shareholders shall have only one Shareholder, one Shareholder present in person or by proxy shall constitute the necessary quorum.

15. The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be altered by the creation or issue of further shares ranking pari passu therewith.

CERTIFICATES

16. Subject to the Companies Acts, no share certificates shall be issued by the Company unless the Board has either for all or for some holders of such shares (who may be determined in such manner as the Board thinks fit) determined that the holder of such shares may be entitled to share certificates. In the case of a share held jointly by several persons, delivery of a certificate to one of several joint holders shall be sufficient delivery to all.

17. Subject to being entitled to a share certificate under the provisions of Bye-law 16, the Company shall be under no obligation to complete and deliver a share certificate unless specifically called upon to do so by the person to whom the shares have been allotted.

18. If a share certificate is defaced, lost or destroyed it may be replaced without fee but on such terms (if any) as to evidence and indemnity and to payment of the costs and out of pocket expenses of the Company in investigating such evidence and preparing such indemnity as the Board may think fit and, in case of defacement, on delivery of the old certificate to the Company.

19. All certificates for share or loan capital or other securities of the Company (other than letters of allotment, scrip certificates and other like documents) shall, except to the extent that the terms and conditions for the time being relating thereto otherwise provide, be issued under the Seal or bearing the signature of at least one person who is a Director or Secretary of the Company or a person expressly authorized to sign such certificates on behalf of the Company. The Board may by resolution determine, either generally or in any particular case, that any signatures on any such certificates need not be autographic but may be affixed to such certificates by some mechanical means or may be printed thereon.

19A. Notwithstanding any provisions of these Bye-laws:

(a) the Board shall, subject always to the Companies Acts and any other applicable laws and regulations and the facilities and requirements of any relevant system concerned, have power to implement any arrangements it

may, in its absolute discretion, think fit in relation to the evidencing of title to and transfer of uncertificated shares, and to the extent such arrangements are so implemented, no provision of these Bye-laws shall apply or have effect to the extent that it is in any respect inconsistent with the holding or transfer of shares in uncertificated form; and

(b) unless otherwise determined by the Board and as permitted by the Companies Acts and any other applicable laws and regulations, no person shall be entitled to receive a certificate in respect of any share for so long as the title to that share is evidenced otherwise than by a certificate and for so long as transfers of that share may be made otherwise than by a written instrument.

LIEN

20. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys, whether presently payable or not, called or payable, at a date fixed by or in accordance with the terms of issue of such share in respect of such share, and the Company shall also have a first and paramount lien on every share (other than a fully paid share) standing registered in the name of a Shareholder, whether singly or jointly with any other person, for all the debts and liabilities of such Shareholder or his estate to the Company, whether the same shall have been incurred before or after notice to the Company of any interest of any person other than such Shareholder, and whether the time for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of such Shareholder or his estate and any other person, whether a Shareholder or not. The Company's lien on a share shall extend to all dividends payable thereon. The Board may at any time, either generally or in any particular case, waive any lien that has arisen or declare any share to be wholly or in part exempt from the provisions of this Bye-law.

21. The Company may sell, in such manner as the Board may think fit, any share on which the Company has a lien but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen days after a notice in writing, stating and demanding payment of the sum presently payable and giving notice of the intention to sell in default of such payment, has been served on the holder for the time being of the share.

22. The net proceeds of sale by the Company of any shares on which it has a lien shall be applied in or towards payment or discharge of the debt or liability in respect of which the lien exists so far as the same is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the share prior to the sale) be paid to the holder of the share immediately before such sale. For giving effect to any such sale the Board may authorise some person to transfer the share sold to the purchaser thereof. The purchaser shall be registered as the holder of the share and he shall not be bound to see to the application of the

purchase money, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the sale.

CALLS ON SHARES

23. The Board may from time to time make calls upon the Shareholders in respect of any moneys unpaid on their shares (whether on account of the par value of the shares or by way of premium) and not by the terms of issue thereof made payable at a date fixed by or in accordance with such terms of issue, and each Shareholder shall (subject to the Company serving upon him at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Board may determine.

24. A call may be made payable by installments and shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed.

25. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

26. If a sum called in respect of the share shall not be paid before or on the day appointed for payment thereof the person from whom the sum is due shall pay interest on the sum from the day appointed for the payment thereof to the time of actual payment at such rate as the Board may determine, but the Board shall be at liberty to waive payment of such interest wholly or in part.

27. Any sum which, by the terms of issue of a share, becomes payable on allotment or at any date fixed by or in accordance with such terms of issue, whether on account of the nominal amount of the share or by way of premium, shall for all the purposes of these Bye-laws be deemed to be a call duly made, notified and payable on the date on which, by the terms of issue, the same becomes payable and, in case of non-payment, all the relevant provisions of these Bye-laws as to payment of interest, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

28. The Board may on the issue of shares differentiate between the allottees or holders as to the amount of calls to be paid and the times of payment.

FORFEITURE OF SHARES

29. If a Shareholder fails to pay any call or installment of a call on the day appointed for payment thereof, the Board may at any time thereafter during such time as any part of such call or installment remains unpaid serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

30. The notice shall name a further day (not being less than 14 days from the date of the notice) on or before which, and the place where, the payment required by the notice is to be made and shall state that, in the event of non-payment on or before the day and at the place appointed, the shares in respect of which such call is made or installment is payable will be liable to be forfeited. The Board may accept the surrender of any share liable to be forfeited hereunder and, in such case, references in these Bye-laws to forfeiture shall include surrender.

31. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls or installments and interest due in respect thereof has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

32. When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share; but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice as aforesaid.

33. A forfeited share shall be deemed to be the property of the Company and may be sold, re-offered or otherwise disposed of either to the person who was, before forfeiture, the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Board shall think fit, and at any time before a sale, re-allotment or disposition the forfeiture may be cancelled on such terms as the Board may think fit.

34. A person whose shares have been forfeited shall thereupon cease to be a Shareholder in respect of the forfeited shares but shall, notwithstanding the forfeiture, remain liable to pay to the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the shares with interest thereon at such rate as the Board may determine from the date of forfeiture until payment, and the Company may enforce payment without being under any obligation to make any allowance for the value of the shares forfeited.

35. An affidavit in writing that the deponent is a Director or the Secretary and that a share has been duly forfeited on the date stated in the affidavit shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration (if any) given for the share on the sale, re-allotment or disposition thereof and the Board may authorise some person to transfer the share to the person to whom the same is sold, re-allotted or disposed of, and he shall thereupon be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, sale, re-allotment or disposal of the share.

TRANSFER OF SHARES

36. Subject to the Companies Acts and to such of the restrictions contained in these Bye-Laws as may be applicable, any Shareholder may transfer all or any of his shares.

37. Except where the Company's shares are listed or admitted to trading on a Listing Exchange, shares shall be transferred by an instrument of transfer in the usual common form or in any other form which the Board may approve. The instrument of transfer of an share shall be signed by or on behalf of the transferor and, where any share is not fully-paid, the transferee.

38. The Board may, in its absolute discretion, decline to register any transfer of any share which is not a fully-paid share. The Board may also decline to register any transfer unless:

    (a) the instrument of transfer is duly stamped (if required) and lodged with the Company, accompanied by the certificate (if any) for the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer,

    (b) the instrument of transfer is in respect of only one class of share.

39. Subject to any directions of the Board from time to time in force, the Secretary may exercise the powers and discretions of the Board under Bye-laws 37 and 38.

40. Where the Company's shares are listed or admitted to trading on a Listing Exchange Bye-laws 37 and 38 shall not apply, and shares may be transferred in accordance with the rules and regulations of the Listing Exchange. Where applicable, all transfers of uncertificated shares shall be made in accordance with and be subject to the facilities and requirements of the transfer of title to shares in that class by means of any relevant system concerned and, subject thereto, in accordance with any arrangements made by the Board pursuant to Bye-law 18. The Board may also make such additional regulations as it considers appropriate from time to time in connection with the transfer of the Company's publicly traded shares and other securities.

41. Where the shares are not listed or admitted to trading on a Listing Exchange and are traded over-the-counter, shares may be transferred in accordance with the Companies Acts and where appropriate, with the permission of the Bermuda Monetary Authority. The Board shall decline to register the transfer of any shares unless the permission of the Bermuda Monetary Authority has been obtained.

42. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof.

43. The Board shall decline to register the transfer of any share, and shall direct the Registrar to decline (and the Registrar shall decline) to register the transfer of any interest in any share held through a Branch Register, to a person where the Board is of the opinion that such transfer might breach any law or requirement of any authority or any Listing Exchange until it has received such evidence as it may require to satisfy itself that no such breach would occur.

44. If the Board declines to register a transfer it shall, within three months after the date on which the instrument of transfer was lodged, send to the transferee notice of such refusal.

45. No fee shall be charged by the Company for registering any transfer, probate, letters of administration, certificate of death or marriage, power of attorney, distringas or stop notice, order of court or other instrument relating to or affecting the title to any share, or otherwise making an entry in the Register relating to any share.

46. Notwithstanding anything contained in these Bye-laws (save for Bye-law 41) the Directors shall not decline to register any transfer of shares, nor may they suspend registration thereof where such transfer is executed by any bank or other person to whom such shares have been charged by way of security, or by any nominee or agent of such bank or person, and whether the transfer is effected for the purpose of perfecting any mortgage or charge of such shares or pursuant to the sale of such shares under such mortgage or charge, and a certificate signed by any officer of such bank or by such person that such Ordinary Shares were so mortgaged or charged and the transfer was so executed shall be conclusive evidence of such facts,

TRANSMISSION OF SHARES

47. In the case of the death of a Shareholder, the survivor or survivors, where the deceased was a joint holder, and the estate representative, where he was sole holder, shall be the only person recognised by the Company as having any title to his shares; but nothing herein contained shall release the estate of a deceased holder (whether the sole or joint) from any liability in respect of any share held by him solely or jointly with other persons. For the purpose of this Bye-law, estate representative means the person to whom probate or letters of administration has or have been granted in Bermuda or, failing any such person, such other person as the Board may in its absolute discretion determine to be the person recognised by the Company for the purpose of this Bye-law.

48. Any person becoming entitled to a share in consequence of the death of a Shareholder or otherwise by operation of applicable law may, subject as hereafter provided and upon such evidence being produced as may from time to time be required by the Board as to his entitlement, either be registered himself as the holder of the share or elect to have some person nominated by him registered as the

transferee thereof. If the person so becoming entitled elects to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have his nominee registered, he shall signify his election by signing an instrument of transfer of such share in favour of his nominee. All the limitations, restrictions and provisions of these Bye-laws relating to the right to transfer and the registration of transfer of shares shall be applicable to any such notice or instrument of transfer as aforesaid as if the death of the Shareholder or other event giving rise to the transmission had not occurred and the notice or instrument of transfer was an instrument of transfer signed by such Shareholder.

49. A person becoming entitled to a share in consequence of the death of a Shareholder or otherwise by operation of applicable law shall (upon such evidence being produced as may from time to time be required by the Board as to his entitlement) be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the share, but he shall not be entitled in respect of the share to receive notices of or to attend or vote at general meetings of the Company or, save as aforesaid, to exercise in respect of the share any of the rights or privileges of a Shareholder until he shall have become registered as the holder thereof. The Board may at any time give notice requiring such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within sixty days the Board may thereafter withhold payment of all dividends and other moneys payable in respect of the shares until the requirements of the notice have been complied with.

50. Subject to any directions of the Board from time to time in force, the Secretary may exercise the powers and discretions of the Board under Bye-laws 47, 48 and 49.

REGISTERED HOLDERS AND THIRD PARTY INTERESTS

51. Except as ordered by a court of competent jurisdiction or as required by law, no person shall be recognised by the Company as holding any share upon trust and the Company shall not be bound by or required in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as otherwise provided in these Bye-laws or by law) any other right in respect of any share except an absolute right to the entirety thereof in the registered holder.

REGISTER OF SHAREHOLDERS

52. The Secretary shall establish and maintain the Register in the manner prescribed by the Companies Acts. Unless the Board otherwise determines, the Register shall be open to inspection in the manner prescribed by the Companies Acts between 10.00 a.m. and 12.00 noon on every working day. Unless the Board otherwise determines, no Shareholder or intending Shareholder shall be entitled to have entered in the Register or any branch register any indication of any trust or

any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share and if any such entry exists or is permitted by the Board it shall not be deemed to abrogate any of the provisions of Bye-law 51.

52A. Subject to the provisions of the Companies Acts, the Board may resolve that the Company may keep one or more Branch Registers in any place in or outside of Bermuda, and the Board may make, amend and revoke any such regulations as it may think fit respecting the keeping of such branch registers. The Board may authorise any share on the Register to be included in a Branch Register or any share registered on a Branch Register to be registered on another Branch Register, provided that at all times the Register is maintained in accordance with the Companies Acts.

INCREASE OF CAPITAL

53. The Company may from time to time increase its capital by such sum to be divided into shares of such par value as the Company by Resolution shall prescribe.

54. The Company may, by the Resolution increasing the capital, direct that the new shares or any of them shall be offered in the first instance either at par or at a premium or (subject to the provisions of the Companies Acts) at a discount to all the holders for the time being of shares of any class or classes in proportion to the number of such shares held by them respectively or make any other provision as to the issue of the new shares.

55. The new shares shall be subject to all the provisions of these Bye-laws with reference to lien, the payment of calls, forfeiture, transfer, transmission and otherwise.

ALTERATION OF CAPITAL

56. The Company may from time to time by Resolution:

(a) cancel shares which, at the date of the passing of the Resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled; and

(b) change the currency denomination of its share capital.

57. Where any difficulty arises in regard to any division, consolidation, or sub-division of shares, the Board may settle the same as it thinks expedient and, in particular, may arrange for the sale of the shares representing fractions and the distribution of the net proceeds of sale in due proportion amongst the Shareholders who would have been entitled to the fractions, and for this purpose the Board may authorise some person to transfer the shares representing fractions to the purchaser thereof,

who shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

58. Subject to the Companies Acts and to any confirmation or consent required by law or these Bye-laws, the Company may by Resolution from time to time convert any preference shares into redeemable preference shares.

REDUCTION OF CAPITAL

59. Subject to the Companies Acts, its memorandum of association and any confirmation or consent required by law or these Bye-laws, the Company may from time to time by Resolution authorise the reduction of its issued share capital or any capital redemption reserve fund or any share premium or contributed surplus account in any manner.

60. In relation to any such reduction, the Company may by Resolution determine the terms upon which such reduction is to be effected including in the case of a reduction of part only of a class of shares, those shares to be affected.

GENERAL MEETINGS AND WRITTEN RESOLUTIONS

61. The Board shall convene and the Company shall hold General Meetings as Annual General Meetings in accordance with the requirements of the Companies Acts at such times and places as the Board shall appoint. The Board may, whenever it thinks fit, and shall, when required by the Companies Acts, convene General Meetings other than Annual General Meetings which shall be called Special General Meetings. Any such Annual or Special General Meeting shall be held at the Registered Office of the Company in Bermuda or such other location suitable for such purpose.

62. Except in the case of the removal of auditors and Directors and subject to these Bye-laws, anything which may be done by resolution of the Company in general meeting or by resolution of a meeting of any class of the Shareholders of the Company may, without a meeting be done by resolution in writing, signed by a simple majority of all of the Shareholders (or such greater majority as is required by the Companies Acts or these Bye-laws) or their proxies, or in the case of a Shareholder that is a corporation (whether or not a company within the meaning of the Companies Acts) on behalf of such Shareholder, being all of the Shareholders of the Company who at the date of the resolution in writing would be entitled to attend a meeting and vote on the resolution. Such resolution in writing may be signed by, or in the case of a Shareholder that is a corporation (whether or not a company within the meaning of the Companies Acts), on behalf of, all the Shareholders of the Company, or any class thereof, in as many counterparts as may be necessary.

63. Notice of any resolution to be made under Bye-law 62 shall be given, and a copy of the resolution shall be circulated, to all members who would be entitled to attend a meeting and vote on the resolution in the same manner as that required for a notice of a meeting of members at which the resolution could have been considered, provided that the length of the period of notice of any resolution to be made under Bye-law 62 be not less than 7 days.

64. A resolution in writing is passed when it is signed by, or, in the case of a member that is a corporation (whether or not a company within the meaning of the Companies Acts) on behalf of, such number of the Shareholders of the Company who at the date of the notice represent a majority of votes as would be required if the resolution had been voted on at a meeting of Shareholders.

65. A resolution in writing made in accordance with Bye-law 62 is as valid as if it had been passed by the Company in general meeting or, if applicable, by a meeting of the relevant class of Shareholders of the Company, as the case may be. A resolution in writing made in accordance with Bye-law 62 shall constitute minutes for the purposes of the Companies Acts and these Bye-laws.

66. The accidental omission to give notice to, or the non-receipt of a notice by, any person entitled to receive notice of a resolution does not invalidate the passing of a resolution.

NOTICE OF GENERAL MEETINGS

67. An Annual General Meeting shall be called by not less than 7 days' notice in writing and a Special General Meeting shall be called by not less than 7 days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, day and time of the meeting, and, in the case of a Special General Meeting, the general nature of the business to be considered. Notice of every General Meeting shall be given in any manner permitted by these Bye-laws. Shareholders other than those required to be given notice under the provisions of these Bye-laws or the terms of issue of the shares they hold, are not entitled to receive such notice from the Company.

68. Notwithstanding that a meeting of the Company is called by shorter notice than that specified in this Bye-law, it shall be deemed to have been duly called if it is so agreed:

    (a) in the case of a meeting called as an Annual General Meeting, by all the Shareholders entitled to attend and vote thereat;

    (b) in the case of any other meeting, by a majority in number of the Shareholders having the right to attend and vote at the meeting, being a

majority together holding not less than 95 percent in nominal value of the shares giving that right;

provided that notwithstanding any provision of these Bye-Laws, no Shareholder shall be entitled to attend any general meeting unless notice in writing of the intention to attend and vote in person or by proxy signed by or on behalf of the Shareholder (together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof) addressed to the Secretary is deposited (by post, courier, facsimile transmission or other electronic means) at the Registered Office at least 48 hours before the time appointed for holding the general meeting or adjournment thereof.

69. The accidental omission to give notice of a meeting or (in cases where instruments of proxy are sent out with the notice) the accidental omission to send such instrument of proxy to, or the non-receipt of notice of a meeting or such instrument of proxy by, any person entitled to receive such notice shall not invalidate the proceedings at that meeting.

69A. The Board may convene a Special General Meeting whenever it thinks fit. A Special General Meeting shall also be convened by the Board on the written requisition of Shareholders holding at the date of the deposit of the requisition not less than one tenth in nominal value of the paid-up capital of the Company which as at the date of the deposit carries the right to vote at a general meeting of the Company. The requisition must state the purposes of the meeting and must be signed by the requisitionists and deposited at the registered office of the Company, and may consist of several documents in like form each signed by one or more of the requisitionists.

PROCEEDINGS AT GENERAL MEETINGS

70. No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment, choice or election of a chairman, which shall not be treated as part of the business of the meeting. Save as otherwise provided by these Bye-Laws, the quorum at any general meeting shall be constituted by two or more Shareholders, either present in person or represented by proxy, holding shares carrying voting rights entitled to be exercised at such meeting.

71. If within five minutes (or such longer time as the chairman of the meeting may determine to wait) after the time appointed for the meeting, a quorum is not present, the meeting, if convened on the requisition of Shareholders, shall be dissolved. In any other case, it shall stand adjourned to such other day and such other time and place as the chairman of the meeting may determine and at such adjourned meeting two Shareholders present in person or by proxy (whatever the number of shares held by them) shall be a quorum provided that if the Company shall have only one Shareholder, one Shareholder present in person or by proxy shall constitute the

necessary quorum. The Company shall give not less than 5 days' notice of any meeting adjourned through want of a quorum and such notice shall state that the sole Shareholder or, if more than one, two Shareholders present in person or by proxy (whatever the number of shares held by them) shall be a quorum.

72. A meeting of the Shareholders or any class thereof may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously and participation in such a meeting shall constitute presence in person at such meeting.

73. Each Director shall be entitled to attend and speak at any general meeting of the Company.

74. The Chairman (if any) of the Board or in his absence the Director who has been appointed as the head of the Board shall preside as chairman at every general meeting. If there is no such Chairman or such Director, or if at any meeting neither the Chairman nor such Director is present within five (5) minutes after the time appointed for holding the meeting, or if neither of them is willing to act as chairman, the Directors present shall choose one of their number to act or if one Director only is present he shall preside as chairman if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, the persons present and entitled to vote on a poll shall elect one of their number to be chairman.

75. The chairman of the meeting may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. When a meeting is adjourned for three months or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

76. Save as expressly provided by these Bye-laws, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

VOTING

77. Save where a greater majority is required by the Companies Acts or these Bye-laws, any question proposed for consideration at any general meeting shall be decided on by a simple majority of votes cast, provided that any resolution to approve an amalgamation or merger shall be decided on by a simple majority of votes cast and the quorum necessary for such meeting shall be two persons at least holding or representing by proxy 33 1/3% of the issued shares of the Company (or the class, where applicable).

78. At any General Meeting, a resolution put to the vote of the meeting shall be decided on a show of hands or by a count of votes received in the form of electronic records unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded by:

(a) the chairman of the meeting; or

(b) any Shareholder or Shareholders present in person or represented by proxy and holding between them not less than one tenth of the total voting rights of all the Shareholders having the right to vote at such meeting; or

(c) a Shareholder or Shareholders present in person or represented by proxy holding shares conferring the right to vote at such meeting, being shares on which an aggregate sum has been paid up equal to not less than one tenth of the total sum paid up on all such shares conferring such right.

79. Unless a poll is so demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has, on a show of hands or on a count of votes received in the form of electronic records, been carried or carried unanimously or by a particular majority or not carried by a particular majority or lost shall be final and conclusive, and an entry to that effect in the minute book of the Company shall be conclusive evidence of the fact without proof of the number of votes recorded for or against such resolution.

80. If a poll is duly demanded, the result of the poll shall be deemed to be the resolution of the meeting at which the poll is demanded.

81. A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken in such manner and either forthwith or at such time (being not later than three months after the date of the demand) and place as the chairman shall direct. It shall not be necessary (unless the chairman otherwise directs) for notice to be given of a poll.

82. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded and it may be withdrawn at any time before the close of the meeting or the taking of the poll, whichever is the earlier.

83. On a poll, votes may be cast either personally or by proxy.

84. A person entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses in the same way.

85. In the case of an equality of votes at a general meeting, whether on a show of hands, a count of votes received in the form of electronic records or on a poll, the chairman of such meeting shall not be entitled to a second or casting vote.

86. In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding.

87. A Shareholder who is a patient for any purpose of any statute or applicable law relating to mental health or in respect of whom an order has been made by any Court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote, whether on a show of hands or on a poll, by his receiver, committee, curator bonis or other person in the nature of a receiver, committee or curator bonis appointed by such Court and such receiver, committee, curator bonis or other person may vote on a poll by proxy, and may otherwise act and be treated as such Shareholder for the purpose of general meetings.

88. No Shareholder shall, unless the Board otherwise determines, be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

89. If (i) any objection shall be raised to the qualification of any voter or (ii) any votes have been counted which ought not to have been counted or which might have been rejected or (iii) any votes are not counted which ought to have been counted, the objection or error shall not vitiate the decision of the meeting or adjourned meeting on any resolution unless the same is raised or pointed out at the meeting or, as the case may be, the adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be final and conclusive.

PROXIES AND CORPORATE REPRESENTATIVES

90. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney authorised by him in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.

91. Any Shareholder may appoint a standing proxy or (if a corporation) representative by depositing at the Registered Office a proxy or (if a corporation) an authorisation and such proxy or authorisation shall be valid for all general meetings and adjournments thereof or, resolutions in writing, as the case may be, until notice of revocation is received at the Registered Office which if permitted by the Principal Act may be in the form of an electronic record. Where a standing proxy or authorisation exists, its operation shall be deemed to have been suspended at any

general meeting or adjournment thereof at which the Shareholder is present or in respect to which the Shareholder has specially appointed a proxy or representative. The Board may from time to time require such evidence as it shall deem necessary as to the due execution and continuing validity of any such standing proxy or authorisation and the operation of any such standing proxy or authorisation shall be deemed to be suspended until such time as the Board determines that it has received the requested evidence or other evidence satisfactory to it.

92. Subject to Bye-law 91, the instrument appointing a proxy together with such other evidence as to its due execution as the Board may from time to time require, shall be delivered at the Registered Office which if permitted by the Principal Act may be in the form of an electronic record (or at such place as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case or the case of a written resolution, in any document sent therewith) prior to the holding of the relevant meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, before the time appointed for the taking of the poll, or, in the case of a written resolution, prior to the effective date of the written resolution and in default the instrument of proxy shall not be treated as valid.

93. Instruments of proxy shall be in any common form or in such other form as the Board may approve and the Board may, if it thinks fit, send out with the notice of any meeting or any written resolution forms of instruments of proxy for use at that meeting or in connection with that written resolution. The instrument of proxy shall be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a written resolution or amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall unless the contrary is stated therein be valid as well for any adjournment of the meeting as for the meeting to which it relates.

94. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument of proxy or of the authority under which it was executed, provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Registered Office which if permitted by the Principal Act may be in the form of an electronic record (or such other place as may be specified for the delivery of instruments of proxy in the notice convening the meeting or other documents sent therewith) one hour at least before the commencement of the meeting or adjourned meeting, or the taking of the poll, or the day before the effective date of any written resolution at which the instrument of proxy is used.

95. Subject to the Companies Acts, the Board may at its discretion waive any of the provisions of these Bye-laws related to proxies or authorisations and, in particular, may accept such verbal or other assurances as it thinks fit as to the right of any

person to attend and vote on behalf of any Shareholder at general meetings or to sign written resolutions.

96. Notwithstanding any other provision of these Bye-laws, any Shareholder may appoint an irrevocable proxy by depositing at the Registered Office an irrevocable proxy and such irrevocable proxy shall be valid for all general meetings and adjournments thereof, or resolutions in writing, as the case may be, until terminated in accordance with its own terms, or until written notice of termination is received at the Registered Office signed by the proxy. The instrument creating the irrevocable proxy shall recite that it is constituted as such and shall confirm that it is granted with an interest. The operation of an irrevocable proxy shall not be suspended at any general meeting or adjournment thereof at which the Shareholder who has appointed such proxy is present and the Shareholder may not specially appoint another proxy or vote himself in respect of any shares which are the subject of the irrevocable proxy.

APPOINTMENT AND RETIREMENT OF DIRECTORS

97. The number of Directors shall be such number not less than two as the Company by Resolution may from time to time determine and each Director shall, subject to the Companies Acts and these Bye-laws, hold office until the next Annual General Meeting following his election or until his successor is elected.

98. The Company shall, at the Annual General Meeting and may in a general meeting by Resolution, determine the minimum and the maximum number of Directors and may by Resolution determine that one or more vacancies in the Board shall be deemed casual vacancies for the purpose of these Bye-laws. Without prejudice to the power of the Company in any general meeting in pursuance of any of the provisions of these Bye-laws to appoint any person to be a Director, the Board, so long as a quorum of Directors remains in office, shall have power at any time and from time to time to appoint any individual to be a Director so as to fill a casual vacancy.

99. The Company may in a Special General Meeting called for that purpose remove a Director provided notice of any such meeting shall be served upon the Director concerned not less than fourteen days before the meeting and he shall be entitled to be heard at that meeting. Any vacancy created by the removal of a Director at a Special General Meeting may be filled at the Special General Meeting by the election of another person as Director in his place or, in the absence of any such election by the Board.

PROCEEDINGS OF DIRECTORS

100. The quorum for the transaction for the business of the Directors shall be two.

RESIGNATION AND DISQUALIFICATION OF DIRECTORS

101. The office of a Director shall be vacated upon the happening of any of the following events:

(a) if he resigns his office by notice in writing delivered to the Registered Office or tendered at a meeting of the Board;

(b) if he becomes of unsound mind or a patient for any purpose of any statute or applicable law relating to mental health and the Board resolves that his office is vacated;

(c) if he becomes bankrupt or compounds with his creditors;

(d) if he is prohibited by law from being a Director;

(e) if he ceases to be a Director by virtue of the Companies Acts or is removed from office pursuant to these Bye-laws.

ALTERNATE DIRECTORS

102. Director may at any time, by notice in writing signed by him delivered to the Registered Office of the Company or at a meeting of the Board, appoint any person (including another Director) to act as Alternate Director in his place during his absence and may in like manner at any time determine such appointment. If such person is not another Director such appointment unless previously approved by the Board shall have effect only upon and subject to being so approved. The appointment of an Alternate Director shall determine on the happening of any event which, were he a Director, would cause him to vacate such office or if his appointor ceases to be a Director.

103. An Alternate Director shall be entitled to receive notices of all meetings of Directors, to attend, be counted in the quorum and vote at any such meeting at which any Director to whom he is alternate is not personally present, and generally to perform all the functions of any Director to whom he is alternate in his absence.

104. Every person acting as an Alternate Director shall (except as regards powers to appoint an alternate and remuneration) be subject in all respects to the provisions of these Bye-laws relating to Directors and shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of or for any Director for whom he is alternate. An Alternate Director may be paid expenses and shall be entitled to be indemnified by the Company to the same extent mutatis mutandis as if he were a Director. Every person acting as an Alternate Director shall have one vote for each Director for whom he acts as alternate (in addition to his own vote if he is also a Director). The signature of an Alternate Director to any

resolution in writing of the Board or a committee of the Board shall, unless the terms of his appointment provides to the contrary, be as effective as the signature of the Director or Directors to whom he is alternate.

DIRECTORS' FEES AND ADDITIONAL REMUNERATION AND EXPENSES

105. The amount, if any, of Directors' fees shall from time to time be determined by the Company by Resolution and in the absence of a determination to the contrary in general meeting, such fees shall be deemed to accrue from day to day. Each Director may be paid his reasonable travelling, hotel and incidental expenses in attending and returning from meetings of the Board or committees constituted pursuant to these Bye-laws or general meetings and shall be paid all expenses properly and reasonably incurred by him in the conduct of the Company's business or in the discharge of his duties as a Director. Any Director who, by request, goes or resides abroad for any purposes of the Company or who performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine, and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Bye-law.

DIRECTORS' INTERESTS

106. A Director may hold any other office or place of profit with the Company (except that of auditor) in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration therefor (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine, and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Bye-law.

107. A Director may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

108. Subject to the Companies Acts, a Director may notwithstanding his office be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested; and be a Director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is interested. The Board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.

109. So long as, where it is necessary, he declares the nature of his interest at the first opportunity at a meeting of the Board or by writing to the Directors as required by the Companies Acts, a Director shall not by reason of his office be accountable to the Company for any benefit which he derives from any office or employment to which these Bye-laws allow him to be appointed or from any transaction or arrangement in which these Bye-laws allow him to be interested, and no such transaction or arrangement shall be liable to be avoided on the ground of any interest or benefit.

110. Subject to the Companies Acts and any further disclosure required thereby, a general notice to the Directors by a Director or officer declaring that he is a director or officer or has an interest in a person and is to be regarded as interested in any transaction or arrangement made with that person, shall be a sufficient declaration of interest in relation to any transaction or arrangement so made.

POWERS AND DUTIES OF THE BOARD

111. Subject to the provisions of the Companies Acts and these Bye-laws the Board shall manage the business of the Company and may pay all expenses incurred in promoting and incorporating the Company and may exercise all the powers of the Company. No alteration of these Bye-laws shall invalidate any prior act of the Board which would have been valid if that alteration had not been made. The powers given by this Bye-law shall not be limited by any special power given to the Board by these Bye-laws and a meeting of the Board at which a quorum is present shall be competent to exercise all the powers, authorities and discretions for the time being vested in or exercisable by the Board.

112. The Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any other persons.

113. All cheques, promissory notes, drafts, bills of exchange and other instruments, whether negotiable or transferable or not, and all receipts for money paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine.

114. The Board on behalf of the Company may provide benefits, whether by the payment of gratuities or pensions or otherwise, for any person including any Director or former Director who has held any executive office or employment with the Company or with any body corporate which is or has been a subsidiary or affiliate of the Company or a predecessor in the business of the Company or of any such subsidiary or affiliate, and to any member of his family or any person who is or was dependent on him, and may contribute to any fund and pay premiums for

the purchase or provision of any such gratuity, pension or other benefit, or for the insurance of any such person.

115. The Board may from time to time appoint one or more of its body to hold any other employment or executive office with the Company for such period and upon such terms as the Board may determine and may revoke or terminate any such appointments. Any such revocation or termination as aforesaid shall be without prejudice to any claim for damages that such Director may have against the Company or the Company may have against such Director for any breach of any contract of service between him and the Company which may be involved in such revocation or termination. Any person so appointed shall receive such remuneration (if any) (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine, and either in addition to or in lieu of his remuneration as a Director.

DELEGATION OF THE BOARD'S POWERS

116. The Board may by power of attorney appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Bye-laws) and for such period and subject to such conditions as it may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney and of such attorney as the Board may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.

117. The Board may entrust to and confer upon any Director or officer any of the powers exercisable by it upon such terms and conditions with such restrictions as it thinks fit, and either collaterally with, or to the exclusion of, its own powers, and may from time to time revoke or vary all or any of such powers but no person dealing in good faith and without notice of such revocation or variation shall be affected thereby.

118. The Board may delegate any of its powers, authorities and discretions to any person or to committees, consisting of such person or persons (whether a member or members of its body or not) as it thinks fit. Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations which may be imposed upon it by the Board. Further, the Board may authorize any company, firm, person or body of persons to act on behalf of the Company for any specific purpose and in connection therewith to execute any deed, agreement, document or instrument on behalf of the Company.

PROCEEDINGS OF THE BOARD

119. The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes the motion shall be deemed to have been lost. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Board.

120. Notice of a meeting of the Board shall be deemed to be duly given to a Director if it is given to him personally or by word of mouth or sent to him by post, cable, telex, telecopier, electronic means or other mode of representing or reproducing words in a legible and non-transitory form at his last known address or any other address given by him to the Company for this purpose. Written notice of Board meetings shall be given with reasonable notice being not less than 24 hours whenever practicable. A Director may waive notice of any meeting either prospectively or retrospectively.

121. The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number, shall be a majority of the Board present in person or by proxy. Any Director who ceases to be a Director at a meeting of the Board may continue to be present and to act as a Director and be counted in the quorum until the termination of the meeting if no other Director objects and if otherwise a quorum of Directors would not be present.

122. A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or proposed contract, transaction or arrangement with the Company and has complied with the provisions of the Companies Acts and these Bye-laws with regard to disclosure of his interest shall be entitled to vote in respect of any contract, transaction or arrangement in which he is so interested and if he shall do so his vote shall be counted, and he shall be taken into account in ascertaining whether a quorum is present.

123. So long as a quorum of Directors remains in office, the continuing Directors may act notwithstanding any vacancy in the Board but, if no such quorum remains, the continuing Directors or a sole continuing Director may act only for the purpose of calling a general meeting.

124. The Chairman (if any) of the Board or, his absence the Director who has been appointed as the head of the Board shall preside as chairman at every meeting of the Board. If there is no such Chairman or Director or if at any meeting the Chairman or Director is not present within five (5) minutes after the time appointed for holding the meeting, or is not willing to act as chairman, the Directors present may choose one of their number to be chairman of the meeting.

125. The meetings and proceedings of any committee consisting of two or more members shall be governed by the provisions contained in these Bye-laws for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any regulations imposed by the Board.

126. A resolution in writing signed by all the Directors for the time being entitled to receive notice of a meeting of the Board or by all the members of a committee for the time being shall be as valid and effectual as a resolution passed at a meeting of the Board or, as the case may be, of such committee duly called and constituted. Such resolution may be contained in one document or in several documents in the like form each signed by one or more of the Directors (or their Alternate Directors) or members of the committee concerned.

127. A meeting of the Board or a committee appointed by the Board may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously and participation in such a meeting shall constitute presence in person at such meeting. A meeting of the Board or committee appointed by the Board held in the foregoing manner shall be deemed to take place at the place where the largest group of participating Directors or committee members has assembled or, if no such group exists, at the place where the chairman of the meeting participates which place shall, so far as reasonably practicable, be at the Registered Office of the Company.

128. All acts done by the Board or by any committee or by any person acting as a Director or member of a committee or any person duly authorised by the Board or any committee, shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any member of the Board or such committee or person acting as aforesaid or that they or any of them were disqualified or had vacated their office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director, member of such committee or person so authorised.

OFFICERS

129. The Board may appoint any person whether or not he is a Director to hold such office as the Board may from time to time determine. Any person elected or appointed pursuant to this Bye-law shall hold office for such period and upon such terms as the Board may determine and the Board may revoke or terminate any such election or appointment. Any such revocation or termination shall be without prejudice to any claim for damages that such officer may have against the Company or the Company may have against such officer for any breach of any contract of service between him and the Company which may be involved in such revocation or termination. Save as provided in the Companies Acts or these Bye-laws, the powers and duties of the officers of the Company shall be such (if any) as are determined from time to time by the Board.

REGISTER OF DIRECTORS AND OFFICERS

130. The Secretary shall establish and maintain a register of the Directors and Officers of the Company as required by the Companies Acts. Every officer that is also a Director and the Secretary must be listed officers of the Company in the Register of Directors and Officers. The register of Directors and Officers shall be open to inspection in the manner prescribed by the Companies Acts between 10.00 a.m. and 12.00 noon on every working day.

MINUTES

131. The Directors shall cause minutes to be made and books kept for the purpose of recording:

(a) all appointments of officers made by the Directors;

(b) the names of the Directors and other persons (if any) present at each meeting of Directors and of any committee;

(c) of all proceedings at meetings of the Company, of the holders of any class of shares in the Company, and of committees;

(d) of all proceedings of managers (if any).

SECRETARY AND RESIDENT REPRESENTATIVE

132. The Secretary and Resident Representative, if necessary, shall be appointed by the Board at such remuneration (if any) and upon such terms as it may think fit and any Secretary so appointed may be removed by the Board.

133. The duties of the Secretary shall be those prescribed by the Companies Acts together with such other duties as shall from time to time be prescribed by the Board.

134. A provision of the Companies Acts or these Bye-laws requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in the place of, the Secretary.

THE SEAL

135. The Company may, but need not, have a Seal and one or more duplicate Seals for use in any place in or outside Bermuda.

136. If the Company has a Seal it shall consist of a circular metal device with the name of the Company around the outer margin thereof and the country and year of incorporation across the centre thereof.

137. The Board shall provide for the custody of every Seal, if any. A Seal shall only be used by authority of the Board or of a committee constituted by the Board. Subject to these Bye-laws, any instrument to which a Seal is affixed shall be signed by at least one Director or the Secretary, or by any person (whether or not a Director or the Secretary), who has been authorised either generally or specifically to attest to the use of a Seal.

138. The Secretary, a Director or the Resident Representative may affix a Seal attested with his signature to certify the authenticity of any copies of documents.

DIVIDENDS AND OTHER PAYMENTS

139. The Board may from time to time declare cash dividends or distributions out of contributed surplus to be paid to the Shareholders according to their rights and interests including such interim dividends as appear to the Board to be justified by the position of the Company. The Board may also pay any fixed cash dividend which is payable on any shares of the Company half yearly or on such other dates, whenever the position of the Company, in the opinion of the Board, justifies such payment.

140. Except insofar as the rights attaching to, or the terms of issue of, any share otherwise provide:

(a) all dividends or distributions out of contributed surplus may be declared and paid according to the amounts paid up on the shares in respect of which the dividend or distribution is paid, and an amount paid up on a share in advance of calls may be treated for the purpose of this Bye-law as paid-up on the share;

(b) dividends or distributions out of contributed surplus may be apportioned and paid pro rata according to the amounts paid-up on the shares during any portion or portions of the period in respect of which the dividend or distribution is paid.

141. The Board may deduct from any dividend, distribution or other moneys payable to a Shareholder by the Company on or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in respect of shares of the Company.

142. No dividend, distribution or other moneys payable by the Company on or in respect of any share shall bear interest against the Company.

143. Any dividend, distribution, interest or other sum payable in cash to the holder of shares may be paid through or any relevant system for such payments, by cheque or warrant sent through the post addressed to the holder at his address in the Register or, in the case of joint holders, addressed to the holder whose name stands first in

the Register in respect of the shares at his registered address as appearing in the Register or addressed to such person at such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first in the Register in respect of such shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends, distributions or other moneys payable or property distributable in respect of the shares held by such joint holders.

144. Any dividend or distribution out of contributed surplus unclaimed for a period of six years from the date of declaration of such dividend or distribution shall be forfeited and shall revert to the Company and the payment by the Board of any unclaimed dividend, distribution, interest or other sum payable on or in respect of the share into a separate account shall not constitute the Company a trustee in respect thereof.

145. The Board may direct payment or satisfaction of any dividend or distribution out of contributed surplus wholly or in part by the distribution of specific assets, and in particular of paid-up shares or debentures of any other company, and where any difficulty arises in regard to such distribution or dividend the Board may settle it as it thinks expedient, and in particular, may authorise any person to sell and transfer any fractions or may ignore fractions altogether, and may fix the value for distribution or dividend purposes of any such specific assets and may determine that cash payments shall be made to any Shareholders upon the footing of the values so fixed in order to secure equality of distribution and may vest any such specific assets in trustees as may seem expedient to the Board. The Board may appoint any person to sign on behalf of the persons entitled to participate in the distribution any contract necessary or desirable for giving effect thereto and such appointment shall be effective and binding upon the Shareholders.

RESERVES

146. The Board may, before recommending or declaring any dividend or distribution out of contributed surplus, set aside such sums as it thinks proper as reserves which shall, at the discretion of the Board, be applicable for any purpose of the Company and pending such application may, also at such discretion, either be employed in the business of the Company or be invested in such investments as the Board may from time to time think fit. The Board may also without placing the same to reserve carry forward any sums which it may think it prudent not to distribute.

CAPITALISATION OF PROFITS

147. The Company may, upon the recommendation of the Board, at any time and from time to time pass a Resolution to the effect that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund which is available for distribution or to the credit of any share premium account or any capital redemption reserve fund and accordingly that such amount be set free for distribution amongst the Shareholders or any class of Shareholders who would be entitled thereto if distributed by way of dividend and in the same proportions, on the footing that the same be not paid in cash but be applied either in or towards paying up amounts for the time being unpaid on any shares in the Company held by such Shareholders respectively or in payment up in full of unissued shares, debentures or other obligations of the Company, to be allotted and distributed credited as fully paid amongst such Shareholders, or partly in one way and partly in the other, and the Board shall give effect to such Resolution, provided that for the purpose of this Bye-law, a share premium account and a capital redemption reserve fund may be applied only in paying up of unissued shares to be issued to such Shareholders credited as fully paid and provided further that any sum standing to the credit of a share premium account may only be applied in crediting as fully paid shares of the same class as that from which the relevant share premium was derived.

RECORD DATES

148. Notwithstanding any other provision of these Bye-Laws, the Directors may fix any date as the record date for:

(a) determining the Shareholders entitled to receive any dividend or other distribution;

(b) determining the Shareholders entitled to receive notice of and to vote at any general meeting of the Company.

ACCOUNTING RECORDS

149. The Board shall cause to be kept accounting records sufficient to give a true and fair view of the state of the Company's affairs and to show and explain its transactions, in accordance with the Companies Acts.

150. The records of account shall be kept at the Registered Office or at such other place or places as the Board thinks fit, and shall at all times be open to inspection by the Directors: PROVIDED that if the records of account are kept at some place outside Bermuda, there shall be kept at an office of the Company in Bermuda such records

as will enable the Directors to ascertain with reasonable accuracy the financial position of the Company at the end of each three month period. No Shareholder (other than an officer of the Company) shall have any right to inspect any accounting record or book or document of the Company except as conferred by law or authorised by the Board or by Resolution.

151. A copy of every balance sheet and statement of income and expenditure, including every document required by law to be annexed thereto, which is to be laid before the Company in general meeting, together with a copy of the auditors' report, shall be sent to each person entitled thereto in accordance with the requirements of the Companies Acts. Pursuant to Bye-law 116, the Board may delegate to the Finance Officer responsibility for the proper maintenance and safe keeping of all of the accounting records of the Company and (subject to the terms of any resolution from time to time passed by the Board relating to the extent of the duties of the Finance Officer) the Finance Officer shall have primary responsibility for (a) the preparation of proper management accounts of the Company (at such intervals as may be required) and (b) the periodic delivery of such management accounts to the Registered Office in accordance with the Companies Acts.

AUDIT

152. Save and to the extent that an audit is waived in the manner permitted by the Companies Acts, auditors shall be appointed and their duties regulated in accordance with the Companies Acts, any other applicable law and such requirements not inconsistent with the Companies Acts as the Board may from time to time determine.

SERVICE OF NOTICES AND OTHER DOCUMENTS

153. Any notice or other document (including a share certificate) may be served on or delivered to any Shareholder by the Company either personally or by sending it through the post (by airmail where applicable) in a pre-paid letter addressed to such Shareholder at his address as appearing in the Register or by delivering it to or leaving it at such registered address. In the case of joint holders of a share, service or delivery of any notice or other document on or to one of the joint holders shall for all purposes be deemed as sufficient service on or delivery to all the joint holders. Any notice or other document if sent by post shall be deemed to have been served or delivered two days after it was put in the post, and in proving such service or delivery, it shall be sufficient to prove that the notice or document was properly addressed, stamped and put in the post.

154. Any notice of a general meeting of the Company shall be deemed to be duly given to a Shareholder if it is sent to him by cable, telex, telecopier or other mode of representing or reproducing words in a legible and non-transitory form at his address as appearing in the Register or any other address given by him to the

Company for this purpose. Any such notice shall be deemed to have been served twenty-four hours after its despatch.

155. Any notice or other document shall be deemed to be duly given to a Shareholder if it is delivered to such Shareholder by means of an electronic record in accordance with Section 2A of the Principal Act.

156. Any notice or other document delivered, sent or given to a Shareholder in any manner permitted by these Bye-laws shall, notwithstanding that such Shareholder is then dead or bankrupt or that any other event has occurred, and whether or not the Company has notice of the death or bankruptcy or other event, be deemed to have been duly served or delivered in respect of any share registered in the name of such Shareholder as sole or joint holder unless his name shall, at the time of the service or delivery of the notice or document, have been removed from the Register as the holder of the share, and such service or delivery shall for all purposes be deemed as sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.

ELECTRONIC COMMUNICATIONS

157. It shall be a term of issue of each share in the Company that each Shareholder shall provide the secretary or the registrar of the Branch Register with an email address for electronic communications by and with the Company and any notice or other document shall be deemed to be duly given to a Shareholder if it is delivered to such Shareholder by means of an electronic record in accordance with Section 2A of the Principal Act. A Shareholder may change such Shareholder's address for electronic communications by sending a notice to the Secretary.

158. The Company may establish an extranet or other similar facility (the "**Company Website**") and publish on the Company Website the Company's memorandum of association and Bye-laws, Register, register of directors and officers, notices of annual general meeting and special general meeting, proxy and voting forms, Shareholder resolutions in writing proposed for execution by voting shareholders, financial statements, prospectuses and circulars and any other documents of the Company required by the Principal Act to be provided to or accessible by Shareholders or which the Board wishes to make applicable to Shareholders.

159. An email sent to a Shareholder at the email address for such Shareholder provided pursuant to Bye-law 158 above notifying the Shareholder that the Company has published a document on the Company Website and which is otherwise in compliance with the provisions of Section 2A of the Principal Act shall constitute notice of publication of the document and the Company shall be deemed to have delivered the documents referred in the email to the Shareholder.

WINDING UP

160. If the Company shall be wound up, the liquidator may, with the sanction of a Resolution of the Company and any other sanction required by the Companies Acts, divide amongst the Shareholders in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for such purposes set such values as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trust for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but so that no Shareholder shall be compelled to accept any shares or other assets upon which there is any liability.

INDEMNITY

161. Subject to the provisions of Bye-law 171, no Director, Alternate Director, Officer, person or member of a committee authorised under Bye-law 119, Resident Representative of the Company or his heirs, executors or administrators shall be liable for the acts, receipts, neglects, or defaults of any other such person or any person involved in the formation of the Company, or for any loss or expense incurred by the Company through the insufficiency or deficiency of title to any property acquired by the Company, or for the insufficiency of deficiency of any security in or upon which any of the monies of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency, or tortious act of any person with whom any monies, securities, or effects shall be deposited, or for any loss occasioned by any error of judgment, omission, default, or oversight on his part, or for any other loss, damage or misfortune whatever which shall happen in relation to the execution of his duties, or supposed duties, to the Company or otherwise in relation thereto.

162. Subject to the provisions of Bye-law 169, every Director, Alternate Director, Officer, person or member of a committee authorised under Bye-law 119, Resident Representative of the Company and their respective heirs, executors or administrators shall be indemnified and held harmless out of the funds of the Company to the fullest extent permitted by Bermuda law against all liabilities, loss, damage or expense (including but not limited to liabilities under contract, tort and statute or any applicable foreign law or regulation and all reasonable legal and other costs and expenses properly payable) incurred or suffered by him as such Director, Alternate Director, Officer, person or committee member or Resident Representative and the indemnity contained in this Bye-law shall extend to any person acting as such Director, Alternate Director, Officer, person or committee member or Resident Representative in the reasonable belief that he has been so appointed or elected notwithstanding any defect in such appointment or election.

163. Every Director, Alternate Director, Officer, person or member of a committee duly authorised under Bye-law 119, Resident Representative of the Company and their respective heirs, executors or administrators shall be indemnified out of the funds of the Company against all liabilities incurred by him as such Director, Alternate Director, Officer, person or committee member or Resident Representative in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted, or in connection with any application under the Companies Acts in which relief from liability is granted to him by the court.

164. To the extent that any Director, Alternate Director, Officer, person or member of a committee duly authorised under Bye-law 119, Resident Representative of the Company or any of their respective heirs, executors or administrators is entitled to claim an indemnity pursuant to these Bye-laws in respect of amounts paid or discharged by him, the relative indemnity shall take effect as an obligation of the Company to reimburse the person making such payment or effecting such discharge.

165. The Board may arrange for the Company to be insured in respect of all or any part of its liability under the provision of these Bye-laws and may also purchase and maintain insurance for the benefit of any Directors, Alternate Directors, Officers, person or member of a committee authorised under Bye-law 119, employees or Resident Representatives of the Company in respect of any liability that may be incurred by them or any of them howsoever arising in connection with their respective duties or supposed duties to the Company. This Bye-law shall not be construed as limiting the powers of the Board to effect such other insurance on behalf of the Company as it may deem appropriate.

166. Notwithstanding anything contained in the Principal Act, the Company may advance moneys to an Officer or Director for the costs, charges and expenses incurred by the Officer or Director in defending any civil or criminal proceedings against them on the condition that the Director or Officer shall repay the advance if any allegation of fraud or dishonesty is proved against them.

167. Each Member agrees to waive any claim or right of action he might have, whether individually or by or in the right of the Company, against any Director, Alternate Director, Officer of the Company, person or member of a committee authorised under Bye-law 118, Resident Representative of the Company or any of their respective heirs, executors or administrators on account of any action taken by any such person, or the failure of any such person to take any action in the performance of his duties, or supposed duties, to the Company or otherwise in relation thereto.

168. The restrictions on liability, indemnities and waivers provided for in Bye-laws 161 to 168 inclusive shall not extend to any matter which would render the same void pursuant to the Companies Acts.

169. The restrictions on liability, indemnities and waivers contained in Bye-laws 161 to 168 inclusive shall be in addition to any rights which any person concerned may otherwise be entitled by contract or as a matter of applicable Bermuda law.

CONTINUATION

170. Subject to the Companies Acts, the Company may with the approval of the Board by resolution adopted by a majority of Directors then in office, approve the discontinuation of the Company in Bermuda and the continuation of the Company in a jurisdiction outside Bermuda.

ALTERATION OF BYE-LAWS

171. These Bye-laws may be amended from time to time in the manner provided for in the Companies Acts, provided that any such amendment shall only become operative to the extent that it has been confirmed by Resolution.

REQUIREMENT TO SUPPLY INFORMATION TO THE COMPANY

172. (1) It shall be a term of issue of any share in the Company that the Company may by notice in writing requires any registered shareholder to give such further informant as may be required in accordance with Bye-law 172.

(2) A notice under this Bye-law 172 may require the person to whom it is addressed:-

(a) to give particulars of his own past or present interest in shares comprised in relevant share capital of the Company;

(b) where the interest is a present interest and any other interest in the shares subsists to give (so far as lies within his knowledge) such particulars with respect to that other interest as may be required by the notice;

(c) where his interest is a past interest, to give (so far as lies within his knowledge) particulars of the identity of the person who held that interest immediately upon his ceasing to hold it.

(3) The particulars referred to in Bye-laws 172(2)(a) and 172(2)(b) include particulars of the identity of persons interested in the shares in question and of whether person interested in the same shares are or were parties to any agreement or arrangement relating to the exercise of any rights conferred by the holding of the shares.

(4) A notice under this Bye-law 172 must require any information given in response to the notice to be given in writing within such reasonable time as may be specified in the notice.

REMOVAL OF VOTING RIGHTS WHERE DEFAULT

173. (1) If any shareholder of the Company, or any other person appearing to be interested in shares held by such shareholder, has been duly served with a notice under Bye-law172 and is in default for the prescribed period in supplying to the Company the information thereby required, then (unless the Board otherwise determines) in respect of:-

(a) the shares comprising the shareholding account in the register of members of the company (including any branch register) which comprises or includes the shares in relation to which the default occurred (all or the relevant number as appropriate of such shares being the "default shares", which expression shall include any further shares which are issued in respect of such shares); and

(b) any other shares in the company held by the shareholder;

the shareholder shall not (for so long as the default continues) nor shall any transferee to whom any of such shares are transferred other than pursuant to an approved transfer pursuant to Bye-law 172 be entitled to vote either personally or by proxy at a shareholders' meeting or to exercise any other right conferred by virtue of being a shareholder in relation to shareholders' meetings of the Company.

174. (a) **Deemed interest where not the registered holder**

A person is taken to have an interest in shares of:-

(a) he enters into a contract for their purchase by him (whether for cash or other consideration); or

(b) not being the registered holder, he is entitled to exercise any right conferred by the holding of the shares or is entitled to control the exercise of any such right.

(b) **Further deemed interests**

A person is taken to have an interest in shares if, otherwise than by virtue of having an interest under a trust:-

(a) he has a right to call for delivery of the shares to himself or to his order; or

(b) he has a right to acquire an interest in shares or is under an obligation to take an interest in shares,

whether in any case the right or obligation is conditional or absolute.

(c) **Entitlement to exercise rights**

For purposes of Bye-law 174[●], a person is entitled to exercise or control the exercise of any right conferred by the holding of shares if he:-

(a) has a right (whether subject to conditions or not) the exercise of which would make him so entitled; or

(b) is under an obligation (whether so subject or not) the fulfillment of which would make him so entitled.

(d) **Joint interests**

Persons having a joint interest are taken each of them to have that interest.

(e) **Unidentifiable interests**

It is immaterial that shares in which a person has an interest are unidentifiable.

(f) **Restrictions on the exercise of rights ignored**

A reference to an interest in shares is to be read as including an interest of any kind whatsoever in the shares; and accordingly there are to be disregarded any restraints or restrictions to which the exercise of any right attached to the interest is or may be subject.

(g) A transfer of shares is an approved transfer if the Board is satisfied that the transfer is made pursuant to a bona fide sale of the whole of the beneficial ownership of the shares to a party unconnected with the shareholder or with any person appearing to be interested in such shares including any such sale made through the Listing Exchange.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